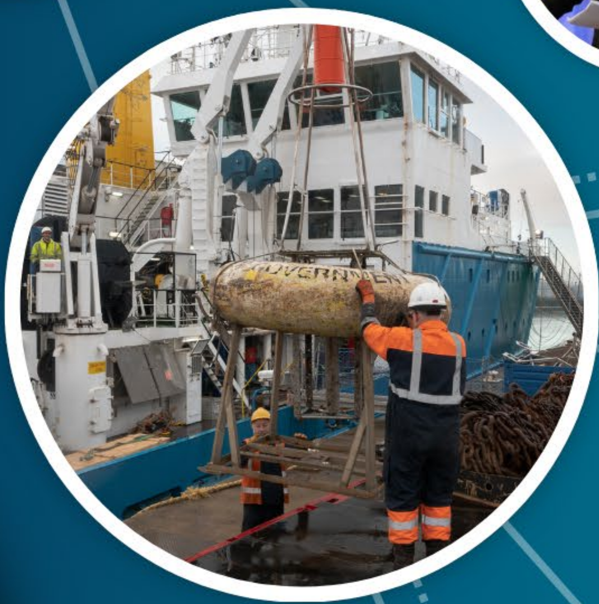
Centre for Environment, Fisheries & Aquaculture Science

Cefas

Annual Report & Accounts

2025 / 2026



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Centre for Environment, Fisheries & Aquaculture Science

Annual Report and Accounts 2025-2026

For the period 1st April 2025 to 31st March 2026

Accounts presented to the House of Commons pursuant to section 6(4) of the Government Resources and Accounts Act 2000

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Performance Report

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NEIL HORNBY
Chief Executive

At Cefas we work to strengthen food security, restore the marine environment and support economic growth. Our applied science, evidence and advice, enables the marine and freshwater environment to provide the essentials of life - food, water, energy and health.

This year we have continued to deliver high-quality science, data and advice for the UK government and our partners, supporting decisions that affect people's lives. To strengthen our scientific capability for evolving needs, we launched the Cefas Science, Evidence and Advice Strategy (CSEAS) 2025–2030. This includes our commitment to invest in innovation and new technologies, where we are progressing plans for a next-generation Research Vessel and developing SeaScope, our new data and analysis system, to make data easier to access and use. Together, these investments will help evidence move faster from collection to action, supporting UK marine science into the future.

Collaboration is critical to our success. This report highlights how we have worked across government, agencies and sectors to support priorities, from multi-agency monitoring that underpins fish stock and ecosystem assessments and Fisheries Management Plans, to strengthening marine and coastal resilience through the Coastal Health programme and our leadership in emergency response. Cefas is uniquely placed to bring evidence, expertise and convening power to support effective decision-making.

Internationally, we work with partners to deliver Defra and Foreign, Commonwealth & Development Office (FCDO) programmes, sharing expertise with other governments and strengthening capability for sustainable marine management. This year we concluded the Blue Planet Fund Ocean Country Partnership Programme (OCPP), delivered with the Joint Nature Conservation Committee' (JNCC) and the Marine Management Organisation (MMO). Over five years, Cefas and partners have worked with governments, institutions and coastal communities to build skills, generate trusted evidence and support sustainable management of marine resources. Its legacy lives on in the data, partnerships and institutions it helped build, providing a foundation for future science-led collaboration.

2026 also marks the 10th anniversary of the UK government's Blue Belt Programme, which Cefas has played a leading role in since its launch. In January, the Beyond the Reef Caribbean marine survey highlighted the programme's strong legacy and achievements, while also delivering breakthrough scientific discoveries.

Using science and evidence to bring people together also shaped our national two-day science conference, Future Ocean 2025, held in London in July. As part of this we were delighted to bring our Research Vessel, Cefas Endeavour, up the Thames to the heart of London for the event. We welcomed a wide range of visitors on board, including young people from diverse education settings, helping inspire the next generation of scientists and marine enthusiasts.

None of Cefas' achievements this year would be possible without the dedication, expertise and professionalism of our people, and the partnerships we have built and sustained. Thank you to everyone for your commitment. Looking ahead, Cefas will stay focused on delivering trusted evidence for decision makers, ensuring our science meets today's needs while preparing for the decades ahead.

NEIL HORNBY

Chief Executive

7 July 2026

Cefas 2030: Priorities

Cefas, the Centre for Environment, Fisheries, and Aquaculture Science, is an Executive Agency of Defra (the UK Government's Department of Environment, Food and Rural Affairs). Through our science, we work to strengthen food security, restore the marine environment and support economic growth. Our applied science, evidence and advice, enables the marine and freshwater environment to provide the essentials of life - food, water, energy and health, now and for future generations.

The Cefas 2030 strategy is helping us achieve a vision of a sustainable future for rivers, seas and the ocean. Cefas 2030 is ambitious as the global environmental challenges that we face are significant and require global leadership, collaboration and bold action. To achieve effective national and international outcomes requires us to think, work and act differently.

2025/26 is the third year we have been working to these strategic objectives and associated success indicators. The targets we have set ourselves are stretching and are designed to drive progress, with the key actions we committed to take set out in our business plan. This year a significant focus for the organisation has been on implementing of our Cefas, Evidence and Advice (CSEA)

Strategy. Through this we have strengthened science governance and focussed on systems-level change.

Through both Cefas 2030 and the Cefas Science, Evidence & Advice Strategy (CSEAS) we are driving innovations, change and transformation. Our transformation is focussed around three segments - building the evidence system, leading by convening and innovating measurements, while ensuring strong foundations in our enabling work on sustaining capability, our people and productivity.

All of our work is aligned with objectives set out in our framework document and supports the achievement of seven critical strategic outcomes:

- Achieving UK and global net zero emissions by 2050, with improved resilience and adaptation to the impacts of climate change.

- Protected and enhanced marine ecosystems in the UK and around the world, supporting delivery of the Global Biodiversity Framework.

- Thriving marine industries and sustainable marine development which supports UK economic growth.

- A safe and sustainable supply of seafood domestically and overseas.

- A productive and sustainable UK fishing industry with an increasing percentage of total allowable catches set in line with scientific advice.

- Achieving good environmental status in UK marine environments.

- England and Wales benefit from high aquatic animal health status, with aquaculture and aquatic animals protected from the impacts of hazards (including new/emerging diseases and pathogens).

The six strategic priorities in Cefas 2030 (shown below) provide a framework of focus for the organisation, with associated success indictors. We want to ensure that our science delivers impactful outcomes for society, working with a variety of partners and in a way that supports and empowers all our staff to make valued contributions.

Influencing Decisions
As a **trusted global authority** we will embed marine and freshwater science at the heart of decision making

Excellent Science Leading Change
Using **excellent science** we will lead **transformative change** to achieve healthy & productive rivers, seas and the ocean.

Ambitious for Each Other
We will enable **individuals to thrive together,** delivering safely wherever we work.

At Cefas Everyone is Valued
We will build an **inclusive & supportive culture** where diversity is truly valued.

Data and Innovation Driven

We will harness the **power of data & technology** to respond to the world's pressing problems.

Working Together

We will strengthen **partnerships & community** engagement to collaborate & build collective understanding.

Performance Overview

Long-term indicators assessing our strategic performance over time consider our Science, People and Business performances.

Science

We monitor the number of peer- reviewed journal papers we publish each year as an indicator of "Excellent Science". In 2025 we published 143 journal papers with 190 staff making authorship contributions. Our stretch target is to return to publishing on average over 200 papers pa which were peak publication levels seen in 2020 and 2021, when reduced operating activities during Covid enabled greater paper writing. Going forwards, we are supporting staff to prioritise publication as a core operational and development expectation. We will track progress by monitoring the percentage of science profession staff that have a publication objective in their annual personal plan, with an immediate target of 65%.

People

Evidence of the engagement of our people is assessed through the annual Civil Service People Survey. Although the annual survey score for engagement decreased slightly in 2025-26 to 63%, (2024-25 to 64%) generally the engagement score has remained consistent in the last five years between the range of 64% - 62%. The overall response rate of staff returning the survey was 77% which is lower than was achieved around five years ago when response levels were around 90%. Work continues on our People Plan to improve our engagement with actions to enhance line management development, improve leadership communication and further our culture of inclusion.

Funding

Evidence of the nature and scale of our work is assessed through ensuring sufficient and appropriate funding supports our critical mass to enable scientific excellence, while maintaining our UK government objectivity. Our total funding in 2025-26 of £79.5 million is in line with inflation adjusted funding levels of five years ago, and full-time equivalent staff resources are also similar. UK government income continues to represent the majority of our work at 90% in 2025-26. This maintains our objectivity and is at a similar level to five years ago. Future spending review settlements place a downward pressure on UK government funding and a combined response to seek new funding sources while pushing for further operational efficiencies, as part of our transformation programme, will be important for maintaining and improving our science outcome impacts.

Objectives and Success Indicators

The Cefas annual plan, associated success indicators and targets are reviewed each year to ensure they continue to be relevant and stretching, supporting both the development of Cefas and broader government objectives. Progress against these is reviewed monthly by executive management, performance in 2025-26 is reported in the following table.

Where indicators are not met or only partially met senior leaders review the circumstances around this, putting in place further actions as appropriate to improve the situation. It may be appropriate to adjust indicators when the strategic need has changed.

	Success indicators	25-26 Target	Result
Influencing Decisions	Impactful case studies from Cefas published and unpublished science reports. Delivering partners' solutions	4 x per quarter	Achieved
	Recognised as a trusted and influential advisor and delivery partner by our key national and international stakeholders	Improve on baseline: • 89% Outcomes • 80% Quality	Achieved 91% 91%
Excellent Science Leading Change	Year-on-year improved rating, to be in the top 3% of global marine and freshwater organisations by 2030 (by citation impact)	Within top 5%	Part-Achieve Citation impact performance Top: 4.1% - 8.4%
	Publish peer reviewed scientific papers	200 papers in the calendar year	Not Achieved 143 papers

	Moving Five-Year Investment in Research and Development, science data, technology and infrastructure	8.5% -10% of total Cefas Delivered Turnover	Not Achieved 8.1%
Ambitious for Each Other	Increase our People Survey Score above comparable peers for: • Employee net promoter • Career goals assisted	Civil Service Benchmarks 62% 58%	Not Achieved 59% 57%
	Increase in positive health and safety culture (by 2030, Safety Climate Tool will achieve the 'industry benchmark)	Increase in positivity to health and safety in pulse surveys	Achieved +3%
At Cefas Everyone is Valued	Build and sustain a diverse workforce, ensuring recruitment reflects national representation by 2030 (priorities: disability, race, gender, sexual orientation)	Increase priority characteristics % recruited to national representation	Part-Achieve 2 of 4 at or above national representation

	Reduce gender pay gap year-on-year to achieve gender pay parity by 2030.	Gender pay gap reduced below 8.1%	Achieved Mean gap reduced to 6.0%
Data and Innovation Driven	Increase, year-on-year, the amount of publicly funded scientific data we openly publish, 100% by 2030	Increase > 88%	Achieved 90%
	Demonstrate how new technology, data and innovation has delivered solutions for our partners	1 impactful case study per quarter	Part-Achieve 3 case studies
Working together	Increase the visibility of our contribution to Defra's priority outcome measures	10 self-generated national media stories and 20 sector/ regional stories	Achieved 18 national and 45 other media stories
	Strengthen our engagement with our partners and communities to	Maintain outreach	Achieved

	increase awareness and understanding of our work and inspire a new generation	programme and increase feedback scores	School and community programme increased
Enabling Factors[1]	By the end of each year secure Cefas delivered turnover funding for the following year that is aligned with our priority outcome measures	Secure at least 60% of our total Plan	Achieved >60%
	Ensure a breakeven position against our allocated Business Plan	+/- £0.25 million	Part-Achieved ✓RDEL & CDEL x Depreciation
	Achieve year-on-year reductions in Cefas' environmental footprint.	Reductions in Greenhouse gases, water, waste	Achieved Carbon footprint reduced 13%
	Ensure compliance with Government Functional Standards,	Ensure compliance with	Achieved Accreditations

critical business support standards and Cefas policies	ISO 14001, ISO 9001, ISO17025, ISO 45001, ASPA	and Certifications maintained
Ensure a high level of preparedness to respond to marine and freshwater emergencies	Review all emergency response areas and enhance	Achieved Programme implemented

1 Enabling factors are the organisational, financial, and operational conditions that underpin delivery of Cefas’ strategic priorities and success indicators, including sustainable funding, efficient resource management, and core systems and capabilities that ensure the organisation can operate effectively and deliver outcomes.

Science Impact

Cefas Science Evidence and Advice Strategy

Launched last summer, our Cefas Science and Evidence Strategy (CSEAS) sets out a new ambitious five-year strategic framework and delivery plan and seeks to drive an integrated, cross-system transformation of our science capability, delivery and impact.

CSEAS comprises seven inter-related themes of Climate Change, Ecosystem Resilience, Sustainable Energy Transition, Sustainable Aquatic Food, Pollution and Water Quality, One Health Hazards and Systems Monitoring. These themes coordinate advisory and science input to national and international bodies.

Each theme is responsible for driving the development of Cefas science that enables four key societal outcomes: Clean Energy Supply, An Improved Environment, Aquatic Food Security and Healthy People and Society, aligning closely to Defra and Government missions.

Our ambition is to transform the organisation through three cross-cutting priorities that make us work more effectively and efficiently. The CSEAS commits us to those priority transformations through investing to embrace innovation to transform our monitoring, using new vessels, platforms and technologies, reducing our carbon footprint towards net zero and our impact on marine life; magnify the impact of data, making all our data accessible, using the latest analysis tools and creating systems solutions through SeaScope, a new data and analysis system; and convene influential evidence partnerships in the UK and internationally to address gaps in our knowledge to build consensus around contested issues to enable and inform better advice for government and others.

Delivery

We are working at pace to drive change, alongside ensuring we maintain the highest standards of excellence in delivery of our science, evidence and advice in the UK and overseas. In the UK, our data collection, monitoring, analysis and advice for Defra has centred on four major programmes:

- Marine Systems Programme (formerly Marine and Fisheries Grant in Aid), supporting on-going marine monitoring and assessment of our waters, including Fisheries Management Plans (FMPs);
- Premiam and other programmes, strengthening marine emergency response and resilience in the UK and internationally;

- Coastal Health programme, enabling UK marine system resilience, improved environmental quality and livelihoods; and
- Marine and Fisheries Research and Development (R&D) Programme, a new role for Cefas leading integrated commissioning and delivery of marine R&D underpinning Defra's strategic outcomes.

In April 2025, Defra tasked Cefas with the delivery of a distinct programme within the wider marine and fisheries R&D portfolio. Through the Marine and Fisheries R&D Commission, Cefas has brought Defra and its Arm's Length Bodies together to co-design a fully collaborative programme. Drawing on specialist expertise and priorities across the Defra Group, the programme aims to ensure integration across the Marine and Fisheries system towards more impactful societal outcomes.

Internationally, we have worked towards improved economic, environmental and societal impacts. Now in its 10th year, the UK's flagship Blue Belt Programme continues to deliver benefits for marine protection and blue economies across the UK Overseas Territories. Cefas has supported Official Development Assistance poverty alleviation and food security objectives through the Ocean Country Partnership Programme which concluded this year. The Sustainable Blue Economies Programme (SBE), in its first year of delivery, has supported Small Island Developing States to grow equitable, climate resilient, sustainable blue economies.

Ocean Country Partnership Programme

In close partnership with governments, institutions and coastal communities, the Ocean Country Partnership Programme (OCPP) has developed the science and technical expertise needed to underpin sustainable economic development, and safeguard community health and wellbeing. The 5-year programme was funded through Official Development Assistance (ODA) as part of the UK's £500 million Blue Planet Fund.

Through the OCPP, the UK government partnered with 12 ODA-eligible countries to deliver tangible and positive impacts on the livelihoods of coastal communities that depend on healthy marine ecosystems. Bilateral partnerships under the OCPP were delivered by Cefas, the JNCC and MMO on behalf of the Defra. Three thematic areas - biodiversity, sustainable seafood, pollution and emergency response - provided practical and inclusive solutions that strengthened scientific research and integrated local knowledge to support better ocean governance and protect livelihoods.

OCPP provided over 1,185 organisations with technical upskilling, supporting more than 4,200 people, produced 66 scientific papers and 109 datasets, established 26 coalitions and provided 100 briefings, roadmaps and guidelines for sustainable management. By bringing together scientists, technical experts, practitioners and leaders from the UK and partner countries, and through a scholarship programme for 116 students at 12 universities in partner countries, OCPP has turned knowledge into action that can shape policy, strengthen institutions and built the capacity communities need to thrive.

ABOVE: SACEP Symposium in Sri Lanka, Emergency Response Training (OCPP)

ABOVE: Shrimp Nursery Pond Training for Women at Paikgacha in Bangladesh (OCPP)

Blue Belt Caribbean Survey: Beyond the Reef

In January 2026, the Blue Belt Programme embarked on its first expedition in the Caribbean. The Beyond the Reef Caribbean Expedition represented a joint effort between the Blue Belt Programme, the Government of Anguilla, Turks and Caicos Islands Government and Cayman Islands Government to scientifically survey offshore waters and advance understanding of the deep-water Caribbean ecosystems.

The expedition saw 44 scientists and marine managers leading this pioneering research on board the RRS James Cook, 18 of which were from the involved Territories. This collaboration worked to strengthen partnerships, exchange knowledge, and ensure that subsequent conservation efforts are locally led and community focused.

Vast amounts of data were collected during the six-week voyage. Across the three UK Overseas Territories, over 25,000 km2 of seabed mapped. 20,000 photos of the seabed were taken and over 160 hours of video footage recorded. Additionally, almost 14,000 individual specimens were recorded, recovered from depths of up to 1200m.

The survey uncovered incredible finds. A 4km long mesophotic (a lower light zone between about 30 and

150m deep) reef was found in Anguilla. In the Turks and Caicos Islands, a 70km underwater mountain range was discovered along with a new blue hole which may be the deepest in the Caribbean. Uniquely healthy corals were found in the Cayman Islands, which appear to not be affected by stoney coral tissue disease unlike many reefs in the region.

Analysis of this data will fill critical knowledge gaps about Caribbean marine ecosystems. The data generated will enable evidence-based decisions to protect marine biodiversity, develop sustainable fisheries, and tackle climate impacts on ocean health.

ABOVE: Meghan Ehman (c) Reef Conservation Assistant, from the Cayman Islands Department of Environment reviews tow camera footage with the team. Photo Lawrence Eagling/Blue Belt Programme.

Convening Ambition

Convening partners to share evidence and explore solutions in support of these shared outcomes, has been facilitated through many opportunities. In the UK, in addition to hosting Future Ocean 25 in London, Cefas led the 6th Annual Premiam Conference bringing a breadth of partners to focus on innovative technologies and enabling best practice; and at Ocean Sciences in Glasgow, Cefas convened a workshop to facilitate seabed carbon evidence discussions. Engagement with the UK fishing industry remains fundamentally essential, whether to drive technological development and uptake (eg Infinifish, Remote Electronic Monitoring and Clean Catch consultation work) or to inform the development and implementation of Fisheries Management Plans.

Internationally, in our capacity as part of the UK Food and Agriculture Organisation (FAO) Reference Centre for Antimicrobial Resistance (AMR) re, we facilitated a three-day AMR Conference in Bangkok, and also led water quality discussions, through the Defra funded Nutrient Pollution Global Action Network, with attendance at the UN Ocean Conference in Nice and week-long workshop in Fiji. Our FAO Reference Centre for Bivalve Mollusc Sanitation also co-convened, a 3-day cross-Africa workshop in Nairobi, supporting thriving seafood production livelihoods

Future Ocean 2025

In July, Cefas hosted Future Ocean 25, demonstrating our convening role at the intersection of aquatic science and policy. The conference brought together over 150 delegates from government, academia, industry and non-governmental organisations. The event focused on the role of evidence and innovation in supporting sustainable growth while balancing societal needs with nature recovery.

The programme explored four interlinked themes: Nature Recovery, Clean Energy, Water Health and Aquatic Food Security. Through keynote presentations, expert panels and interactive discussions, delegates examined how systems-level thinking, improved data integration and stronger partnerships are needed to address the combined pressures of climate change, biodiversity loss and pollution.

The programme also provided delegates with practical insights into marine monitoring and innovation through visits to the Research Vessel Cefas Endeavour. Additional vessel tours for inner-city London school groups, university students and wider stakeholders supported careers insights and engagement linked to the Cefas Endeavour business case.

ABOVE: School children on board RV Cefas Endeavour during Future Ocean 25

Future Ocean 25 marked a step-change in our 'Leading by Convening' ambition, providing a foundation to advance cross-sector dialogue, strengthen collaboration and support the role of science in policy ahead of Future Ocean 2027.

You can read the full conference report.

Leading Scientific Excellence

We published 143 peer-reviewed papers in 2025 across a range of journals maintaining the number of papers published versus 2024 (142). The proportion available as open access increased to 90% (2024: 89%) as we work towards our long-term ambition for all our research to be openly accessible. We aim to publish in a range of journals to reach the right scientific audience. Articles in journals with specialist readerships build our profile within scientific disciplines while multi-disciplinary cross-cutting journals can have high readership and tend to have impact factors (IF) of 10 and above. This year we decreased our output in these High-IF journals to 7% compared to 10% the year before. In 2025, 43% of our papers had Cefas staff or a Cefas student as lead author representing an increase compared to 2024 (33%) while around 190 different members of staff contributed to at least one published journal paper. We measure the impact of our publications within the scientific community by looking at citations over the previous 5 years (Jan 2020- Dec 2024) compared to organisations with a similar disciplinary mix and footprint. Our ambition is to be in the top 3% of about 230 peer organisations when measured this way, our journal paper output over the latest 5-year period puts us in the top 6% of this group.

Aquatic Food Production

From data collection to fisheries management: pelagic fishery survey

South-west waters of the UK are home to a rich diversity of small fish such as sardines, anchovy, sprat, mackerel, horse mackerel and herring. Several of these small pelagic species, such as sardines and sprat, are targeted by commercial fisheries, providing an important food source for people and supporting local livelihoods.

To ensure that impacts of these fisheries are managed sustainably it is essential to monitor the fish population sizes as they can fluctuate strongly from year to year. The PELTIC (**Pel**agic ecosystem survey in the Western Channel and Cel**tic** Sea) survey series, operating since 2012, from onboard the RV Cefas Endeavour, and funded by Defra, is the only survey investigating small pelagic (open water column) fish in the Celtic Sea, Bristol Channel and Western English Channel.

Each October, the survey collects data on distribution and abundance of small pelagic fish, as well as the associated plankton communities and environmental conditions. These data feed directly into fish stock and ecosystem assessments, such as those within scope of International Council for the Exploration of the Seas (ICES) and the United Kingdom Framework Directive. The PELTIC survey is also a important contributor to Fisheries Management Plans including the North Sea and Channel sprat and the Celtic Sea and Western Channel pelagic FMPs. All this work supports the UK’s commitments to sustainable fisheries management and tackling issues of food security and biodiversity loss.

BELOW: Clockwise from top left: sardine eggs, larvae and adult fish.

The PELTIC survey will continue to provide essential fisheries and environmental data, with the next survey due to embark in October 2026, but meanwhile, data from the survey last year has informed the sardine and sprat stock assessments for the Southwest. Sardine biomass in the Celtic Sea was just over half a million tonnes, the highest since the start of the PELTIC survey and sprat biomass in the English Channel was the second highest at 91,577 tonnes. Find out more in our blog.

Clean Energy Supply

From evidence to energy: Cefas marine science supports UK's nuclear future

Nuclear energy is central to the UK's ambition to reach net zero and kick-start economic growth. For policy makers and developers, expanding the UKs nuclear infrastructure at Hinkley Point C (HPC) and Sizewell C raises several challenges: how to understand, predict and mitigate marine environmental impacts in highly sensitive and tightly regulated coastal ecosystems. Without specialist evidence and support to navigate complex requirements and legislation, major infrastructure projects risk delay, legal challenge, or costly redesign.

Since 2017, Cefas' British EDF Estuarine & Marine Studies (BEEMS) programme has delivered world-leading scientific advice and capability. Acting as EDFs independent Strategic Marine Science Advisor, Cefas has built a comprehensive evidence base that draws on multiple disciplines and innovative technologies such as RPA (Remotely Piloted Aircraft) surveys and advanced acoustic fish deterrent trials. This capability has enabled Cefas not only to predict impacts and barriers to infrastructure development, but also to develop practical solutions, for example informing infrastructure redesign, strengthening adaptive monitoring plans, and providing clear, trusted advice to regulators.

Through BEEMS, Cefas has helped reduce environmental impacts and enabled major low-carbon energy projects to move forward with confidence. The programme has also strengthened Cefas scientific capability delivering innovative solutions, delving value for money and impact at no extra cost to government.

Health People and Society

Improving health outcomes: tackling antimicrobial resistance

Antimicrobial resistance (AMR), often referred to as the "silent pandemic", threatens modern medicine and in marine ecosystems, AMR is a growing threat, driven by pollution, wastewater discharge, and inappropriate use of antimicrobials in human, animals and environment sectors. During World AMR Awareness Week (WAAW) we shared our work to tackle this global challenge and drive improved health outcomes.

The UK FAO Antimicrobial Resistance (AMR) Reference Centre designation comprises 3 Defra agencies: Animal Plant Health Agency, Cefas and Veterinary Medicine Directorate. The Cefas Reference Centre team led online training on antimicrobial susceptibility testing for colleagues from the Fish Quality Control Laboratory-Nairobi and Aquaculture Research Institute of Zambia, which also included learning about laboratory accreditation success stories in Ghana and Nigeria.

The Reference Centre also co-led a five-day knowledge exchange workshop in Singapore, in July. Delivered by Cefas, APHA, UN FAO Regional Office for Asia and the Pacific, and Singapore's National Parks Board, participants from 11 countries across South and Southeast Asia took part in theoretical sessions and practical, laboratory training, gaining valuable skills in detecting AMR in aquatic animals.

Cefas' Reference Centre team led global initiatives to establish Ecological Cut Off Values for aquatic pathogens, coordinating multi-laboratory studies across three continents. Cut-off values are critical for identifying resistant strains, guiding treatment strategies, and protecting aquatic and human health. The science underpinning these efforts was highlighted as a case study for the UK's national action plan (NAP).

Through the West Africa AMR One Health Fleming Fund Regional Grant led by Cefas, workshops were delivered on antimicrobial residues and antimicrobial susceptibility testing in Ghana, Sierra Leone and Senegal, including review of surveillance strategies in four African countries.

LEFT: The UK's FAO AMR Reference Centre leading training as part of the Singapore workshop

Improved Environment

Advancing the Science and Building Consensus on Seabed Carbon

English seabed sediments store up to 83 million tonnes of carbon, making them one of the UK's most significant blue carbon habitats. The existing Marine Protected Area (MPA) network alone is estimated to hold one third of all carbon stored across UK seabed habitats —highlighting their importance for climate mitigation. Despite this, the relationship between seabed carbon and human activities remains poorly understood. Understanding these impacts is essential to inform management decisions that support environmental, clean energy, and food security goals.

As part of the UK Blue Carbon Evidence Partnership, Cefas is leading efforts to close this gap. Through several

Defra-funded carbon management research projects and the marine Natural Capital and Ecosystem Assessment Programme (mNCEA), Cefas scientists have been generating new observations on seabed carbon stocks, sequestration rates, and habitat condition across North Sea shelf sediments. This work has resulted in over 20 published papers, talks, and presentations, with contributions to major international forums including ICES and COP28

A landmark output came in February with the publication of a technical briefing examining the carbon impacts of bottom trawling, climate change, and human activities such as offshore wind development. Bringing together 30 leading experts, the briefing established a scientific consensus on the carbon impacts of trawling and was launched at the Ocean Sciences in Glasgow to broad cross-stakeholder endorsement.

Looking ahead, a new multi-year programme will build on these foundations by establishing a nationally standardised framework for measuring and monitoring seabed carbon — underpinning evidence-based policy on MPA and wider marine management.

ABOVE: Beam Trawler in rough weather

Animal Research

Most of our work does not directly involve the use of live animals, and alternative methods, such as modelling and environmental DNA sampling, are increasingly replacing traditional techniques. However, in some situations the use of animals is necessary to ensure that sound evidence is available to protect wild and farmed aquatic animals, food security, public health and the environment. All our experimental work using protected animals is regulated by the Home Office under the Animals (Scientific Procedures) Act 1986. This Act requires that our laboratories, programmes of work and personnel are licensed and that we follow approved processes that promote a ‘culture of care’. This obligation is managed by our Animal Welfare and Ethical Review Bodies which also review our animal use, welfare and ethical justification. Cefas has an established Animal Welfare Policy and plays an active role in national and international initiatives to apply the principles of the 3Rs (Replace, Reduce, Refine) to the scientific use of animals. This included contributing to the UK’s Replacing animals in science strategy, involvement in an international project developing New Approach Methodologies, engaging with Defra’s Animal Welfare team on decapod crustacean research activities, and sharing our fieldwork expertise in the RSPCA Focus on Fish meeting. Cefas is a signatory of the Concordat on Openness on Animal Research in the UK and publishes data annually on animal use https://www.cefas.co.uk/about-us/animals-in-science/.

Cefas is a signatory of the Concordat on Openness on Animal Research in the UK and publishes data annually on animal use Animals in Science - Cefas (Centre for Environment, Fisheries and Aquaculture Science)

Future Transformation

Through our research and scientific delivery, we will continue to ensure our work fully supports Defra’s commitment to strengthening national security and resilience and four priority outcomes: restoring nature; reforming our water system; enabling a resilient food sector; and resetting the UK's relationship with the EU.

The UK-EU reset will be a critical focus in this next period. The Fish Health Inspectorate, (FHI) Cefas' regulatory arm and Cefas' Animal Health and Food Safety experts, will work to support dynamic alignment with EU law and alignment with UK-EU trade requirements. In support of business readiness, Cefas will engage with impacted businesses to implement the changes required by 2027; enabling the development of new disease surveillance programmes, licensing requirements and smoother, lower friction trade in live aquatic animals including shellfish.

Our emergency response leadership through Premiam will continue to underpin national and international marine pollution resilience and response. This year will see Cefas, through consultation with partners, publishing new Premiam guidelines, further strengthening post-spill monitoring and impact assessment.

Our Cefas Science Evidence and Advice Strategy (CSEAS) will guide our progress over the next five years. In implementing this strategy, we will drive the transformation needed to realise our ambition to adapt for the 2030s by making wise decisions to invest and prioritise for the future.

Innovative Monitoring

A corner stone of the Cefas Science Evidence and Advice Strategy (CSEAS), is about preparing for future changes in how we collect data at sea to monitor the marine environment. We are progressing a business case that is seeking future capital investment for a replacement of our current research vessel, Cefas Endeavour, which is due to come to the end of its planned economic life in 2033. A new vessel will not only enhance scientific capability but also drive further innovation in our data collection at sea, which is vital for the efficiency, quality and impact of our science. During this last year we have evaluated replacement options and sought feedback on the future scientific requirements and potential design features of a new vessel. Our ambition is to integrate innovative autonomous technologies into sea-going operations and be ready to operate using green fuels. This year we will be seeking formal government support of our Outline Business Case. If approved, we would then start a competitive tender process for procuring a shipyard to deliver a new platform.

Building the Evidence System

Our vision for integrated evidence provision, requires a data science ambition built on investment in our capital assets. We are progressing work to develop ‘SeaScope’, an ambitious new cross organisational, cross-system programme to develop a framework for a federated approach to data collection, storage and use by Cefas and our partners. It will become a platform for maintaining novel data science approaches and remove data silos to inform and enhance policy decision making.. The SeaScope vision will not be possible without data and applications working seamlessly with our science expertise. This will be facilitated using cutting-edge technology in storage data lakes with machine learning and artificial intelligence to extract insights that would not be possible using traditional technologies, methodologies and human resources alone.

Leading by Convening

We will continue to prioritise our engagement beyond Cefas to develop existing and new influential partnerships, both in the delivery of our science outcomes and innovative capabilities. Major opportunities to convene key stakeholders will be achieved through the Blue Belt 10 Year Anniversary event in June, the International Molluscan Shellfish Safety Conference in October, and a series of Communities of Practice workshops, culminating in Future Ocean 2027 and Cefas' 125th Anniversary.

We will work through our networks to develop a new generation of colleagues, using a talent pipeline from both inside and outside Cefas to enhance the quality, excellence and influence of our work through a greater diversity of talent. We are working with the National Oceanography Centre and other partners to host a summer workshop to further develop *ETHOS* – a new network to engage with a more diverse cohort of future marine scientists. Our Cefas Student conference in December, will further support this ambition.

Performance Analysis

In 2025-26, Cefas delivered a core programme of work to the value of £79.5 million (2024-25: £83.0 million) being a total of £54.5 million (2024-25: £58.7 million) funding for Defra policy colleagues and for wider market partners a total of £25.0 million (2024-25: £24.3 million), see note 3, Income Analysis. Our reported Net Operating Costs, after income from other partners, were £54.9 million (2024-25: £55.8 million). Therefore, the net operating surplus generated against our Business Plan target to breakeven was £0.4 million (2024-25: £2.9 million).

Our work in the year, both domestically and internationally, continued to support the achievement of Defra's strategic outcomes, agreed in the Spending Review 2020 settlement. The focus of our work continues on Agriculture, Food and Fisheries, representing around 60% of our outputs; and on Environment and Climate, representing around 30% of our outputs.

The key variance in this year's net operating loss of £0.4 million, below our business plan target to breakeven, was £0.4 million of depreciation costs over budgets provided by Defra.

Total Defra Group activity, including competed income and all Defra bodies, reduced year-on-year to £59.8 million (2024-25: £64.7 million) primarily due to a halving of activity on the Ocean Country Partnership Programme. This has been a major official development assistance programme that ceased as at 31 March 2026.

Non-Defra Group activity saw growth in the year from both public-sector and EU research partners, to £19.8 million (2024-25: £18.4 million). Significant additional work for the Foreign, Commonwealth & Development Office to deliver the major Blue Belt programme Caribbean survey, Beyond the Reef, provided much of this increase. This work remains an important part of our long-term strategy to ensure a diversity of funding partners. This strategy focuses on working across other UK Government Departments and wider markets to leverage our collective impact and sustains our operational breadth and financial critical mass, ensuring we maintain leading applied science capabilities and assets that support our UK Government remit.

Non-Defra Group activity came from:

- Other UK Public Sector partners, £10.8 million (2024-25: £9.2 million), which saw annual reductions in direct

Official Development and Foreign, Commonwealth & Development Office work, although these were more than compensated for by an increase in such work via transfers through Defra. This activity includes work for the Food Standards Agency, in assuring the safety of shellfish for human consumption and environmental monitoring.

- Research and development activity funded by the European Commission, £1.3 million (2024-25: £0.9 million).
- Industry and other, £7.6 million (2024-25: £8.3 million), including work for the energy sector and for overseas governments.

Whilst work for non-UK Government partners is vital for sustaining Cefas' strength, our primary funding continues to be firmly UK Government related. Our total work for all UK Government bodies and related EU research and development comprises 90% of our total delivery activity (2024-25: 90%).

Total salary costs increased to £39.5 million over the prior year (2024-25: £37.3 million) despite a decrease in average FTE staff numbers to 613 FTE (2024-25: 622 FTE) due to a 3.75% rise in general rates of pay following the Civil Service pay remit and a rise in employer national insurance contributions. External costs of running the organisation were controlled, despite inflationary pressures, and indirect project costs decreased with funding activity reductions. However, vessel costs rose by £0.8 million, reflecting increased maintenance costs on RV Cefas Endeavour, our property partnership costs from Defra rose by £0.7 million. There were no charitable donations made in the year (2024-25: Nil).

Over the last five years, total operating expenditure has increased from £60.7 million (2021-22) to £79.9 million (2025-26) predominately reflecting an increase in activity for Defra to provide: a broader range of evidence and advice to government as an independent coastal nation, an increase in support for innovation in the UK seafood sector and extra support for UK SDGs through the delivery of international programmes.

Assets

Capital investments in scientific equipment of £0.7 million were completed in the year, (2024-25: £0.7 million).

Cefas owns 100% of the share capital of Cefas Technology Limited (CTL). CTL is currently operationally inactive but holds net assets against residual trading liabilities which are in excess of the investment holding valuation. CTL accounts are not consolidated into Cefas' statements of accounts as they are outside the Departmental boundary.

CTL's unaudited results include: Operating loss before tax of £4,000 (2024-25: loss of £5,000) on income of £Nil (2024-25: £Nil). CTL net assets at 31 March 2026: £199,000 (31 March 2025, £203,000).

Cash Management

Cefas consumed operating cash of £47.1 million (2024-25: £45.3 million) during the year. This increase over the prior year is primarily due to an increase in working capital, primarily contracted receivables. Investments in property, plant and equipment have continued in the year and account for a further outflow of £0.7 million (2024-25: £0.4 million). Having reviewed the cash requirements of the agency with Defra, we have drawn down £47.5 million (2024-25: £45.4 million) from them to fund our operating needs. Based on continued support from Defra for our budget allocation, and our forecasted other funding sources, we are in a sound cash position with sufficient liquid funds and funding contracts to meet expected obligations within the coming financial year.

Financial Risk

The primary financial instrument risk that Cefas is exposed to is the receipt of payments from partners in foreign currencies. This risk is assessed as low, given that 99% of our invoiced income, represented by Total operating income, was received in pounds sterling and 1% in foreign currencies. Credit risk is the risk of non-payment by partners. This risk is assessed as low as the amount of overdue debt is low and carefully managed.

Counter Fraud, Bribery and Corruption

Cefas follows the principles of The Bribery Act 2010 and complies with Government Functional Standard, GovS 013: Counter Fraud, which underpins our Counter Fraud, Bribery and Corruption Policy. Cefas requires all colleagues to act honestly and with integrity, and to safeguard the public resources for which they are responsible, including tangible property and intangibles such as intellectual property. Fraud, Bribery and Corruption are an ever-present threat to these resources, and Cefas remains alert to these risks.

Cefas is committed to maintaining an honest and open culture, balanced with the commitment to eliminate any fraud, bribery or corruption involving the organisation, and to rigorously investigate any such cases. The Board wishes to encourage anyone having reasonable suspicions of fraud, bribery or corruption to report them.

Social Matters and Human Rights

As an Executive Agency of Defra, Cefas is part of the Department's Equity, Diversity and Inclusion Strategy. This recognises that we need the skills and abilities of a truly diverse workforce, that represents the communities we live in and serve, to provide greater innovation, creativity and partner insight, whilst offering a workplace where colleagues feel comfortable and are able to apply their full range of talents. We strive to ensure that individuals and groups are treated fairly and with equity, and that we account for the different experiences and needs of all our colleagues and partners. Being a diverse organisation means that we can show that positive action is taken on social matters as well as providing respect for human rights.

Future Plans

We enter 2026-27 with secured financial budgets for more than 60% of the year's planned activity and our operating cost base reflecting allocations set out in the Spending Review 2025 as well as agreements with Partners beyond Defra. This gives us confidence in setting our plans for the coming year, and these have been endorsed by Defra.

Budgets for future capital works at our operating sites at Lowestoft, Weymouth, Plymouth, Scarborough and Hayle are managed by Defra group Property who provide Cefas with property services under a partnership agreement.

Our major capital works business case to reform Defra marine monitoring through the renewal of the Cefas research vessel continues to be supported by the department. Together we seeking to secure the full funding necessary to move into procurement and delivery, progress is anticipated in the new financial year.

Events After the Reporting Date

The Accounting Officer, Neil Hornby, authorised these financial statements for issue on the same date that the Comptroller and Auditor General signed his certificate. There were no events after the reporting date that should be reflected in the accounts, which are prepared on a going concern basis.

Sustainability Report

Summary

Sustainability reporting is completed as part of Cefas's Annual Report and Accounts and is prepared in accordance with HM Treasury's *Public Sector Annual Reports: Sustainability Reporting Guidance 2025–26*, the Government Financial Reporting Manual, and applicable Greening Government Commitments and TCFD-aligned disclosure requirements. The reporting is undertaken within Cefas's established governance, financial control and environmental management arrangements, with oversight provided through the Senior Leadership Team, the Head of Operational Excellence, the Cefas Sustainability Committee e data in this report will be used as the baseline data for Greening Government Commitments (GGC) 20 26-30 and targets, apart from our net zero target, will be reported against when the GGC 20 26-30 is approved

To ensure the integrity and reliability of sustainability reporting, data quality is maintained in accordance with established financial reporting standards. All reported data undergoes thorough verification by a dedicated data analyst, ensuring accuracy and transparency across all reported figures. Sustainability data is derived from a range of internal and external sources and may remain subject to estimation, reporting time lags and subsequent revision where further information becomes available. Comparability between reporting periods may also be influenced by changes in reporting boundaries, emissions factors, and calculation methodologies.

The reporting encompasses all scope 1,2 and material scope 3 emissions. Scope 3 emissions are 59% of our total emissions, reporting these reflects a commitment to comprehensive environmental accountability. Furthermore, all disclosures adhere strictly to the requirements set out in the Sustainability Reporting Guidance and the Government Financial Reporting Manual, ensuring consistency and compliance with relevant government metrics.

Data Integrity and Methodology

Sustainability Data Alignment

Cefas ensures that sustainability data, along with the related financial costs, fully comply with the requirements outlined in HM Treasury’s Public Sector Annual Reports: Sustainability Reporting Guidance 2025-26. This adherence is complemented by the application of Cefas’s own standard operating procedures for sustainability reporting, promoting consistency and reliability across all disclosures.

Consumption Data Sources

Reported consumption figures are derived from a combination of billed amounts and direct meter readings. These figures may be subject to future adjustments, should subsequent information indicate the need for revisions.

Carbon Data Calculation

Carbon emissions data are calculated using the carbon factors provided by the Department of Energy Security and Net Zero, alongside those from the Department of Environment Food and Rural Affairs, as published in June 2025. Historical data adjustments are only made when the impact exceeds 1% of the aggregated Cefas data, ensuring material accuracy while maintaining comparability over time.

Reporting Protocol and Financial Data

Cefas calculates and reports its carbon footprint in accordance with the Greenhouse Gas Protocol, guaranteeing alignment with recognised standards. Financial information contained within this section reflects the in-year costs, based strictly on Cefas's audited accounts.

Carbon Footprint Overview

The reporting of Cefas’s carbon footprint is conducted in full accordance with the Greenhouse Gas (GHG) Protocol and the Sustainability Reporting Guidance for 2025-26. This ensures that disclosures are consistent with recognised standards and government requirements.

Scope 1 and Scope 2 Reporting

Scope 1 emissions are reported for natural gas used in heating, as well as marine gas oil consumed by Cefas’s Research Vessel operations. Scope 2 reporting covers emissions associated with purchased electricity, reflecting Cefas’s energy consumption.

Scope 3 Reporting and Material Categories

Scope 3 emissions reporting covers all known indirect emissions that are deemed material. These emissions are categorised for clarity and transparency. The categories reported include:

- Purchased goods and services (Category 1)
- Waste generated in operations (Category 5)
- Business travel (Category 6)
- Employee commuting (Category 7)

By breaking down Scope 3 emissions into these categories, Cefas ensures that all significant indirect environmental impacts are captured and presented in a transparent manner, in line with reporting expectations.

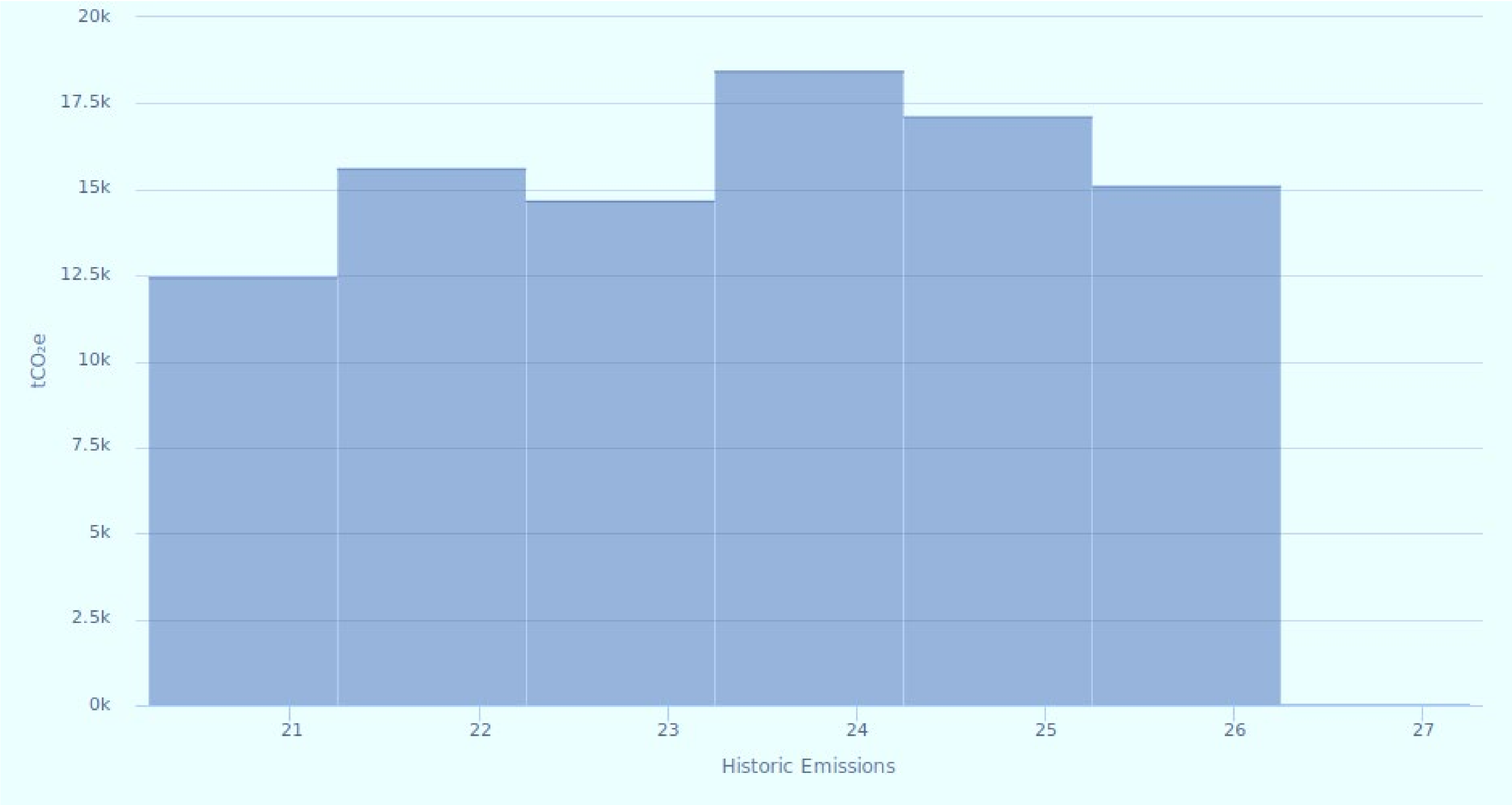
Carbon footprint (tC02e)	2025-26	2024-25	2023-24	2017-18 GGC baseline
Scope 1 emissions	4,379	5,193	5,157	970
Scope 2 emissions	545	650	687	1,588
Scope 3 emissions	10,153	11,538	12,589	8,184
Total carbon footprint	**15,078**	**17,381**	**18,433**	**10,742**
KPI tC02e per Employee	24.2	27.2	30.2	17.9
KPI tC02e per m3	1.2	1.3	1.4	0.7

Total energy consumption overview

Cefas carries out operations that require high levels of energy consumption, particularly within buildings that are primarily heated by gas. Renewable energy generation is limited at the Lowestoft site, with only a small contribution from solar panels, whereas the Weymouth site benefits from a greater share of solar energy. Nevertheless, energy usage across all Cefas sites accounts for 11.5% of overall materiality to the organisation.

At the Lowestoft site, there has been a noticeable decrease in energy use, owing to the successful implementation of the LEAF 'switch off' campaign. In contrast, the Weymouth site presents greater challenges in reducing energy consumption as certain essential equipment must always remain operational. There has also been a concerted effort to enhance energy efficiency across laboratories by replacing older equipment, especially cold storage devices, with more efficient alternatives.

Table of Total Carbon Emissions 2021 – 2026:



Performance on Emissions Reduction

Scope 1 Emissions

Over the past year, Scope 1 emissions experienced a substantial reduction of 16%. This progress is reflected in a corresponding 12% decrease in natural gas consumption. Additionally, emissions from marine fuels have fallen by 16% (845.6 tCO2e) underscoring the impact of targeted efforts in operational areas. Despite these improvements, the Cefas research vessel continues to pose the greatest challenge in terms of emissions management.

In February 2026, after successfully trialling in 2025, the vessel utilised hydrotreated vegetable oil (HVO), which led to a notable saving of 202 tonnes of CO_2 equivalent (tCO_2e). However, the transition from marine gas oil to HVO remains hampered by both financial and supply constraints, limiting the wider adoption of this alternative transitional fuel.

Scope 2 Emissions

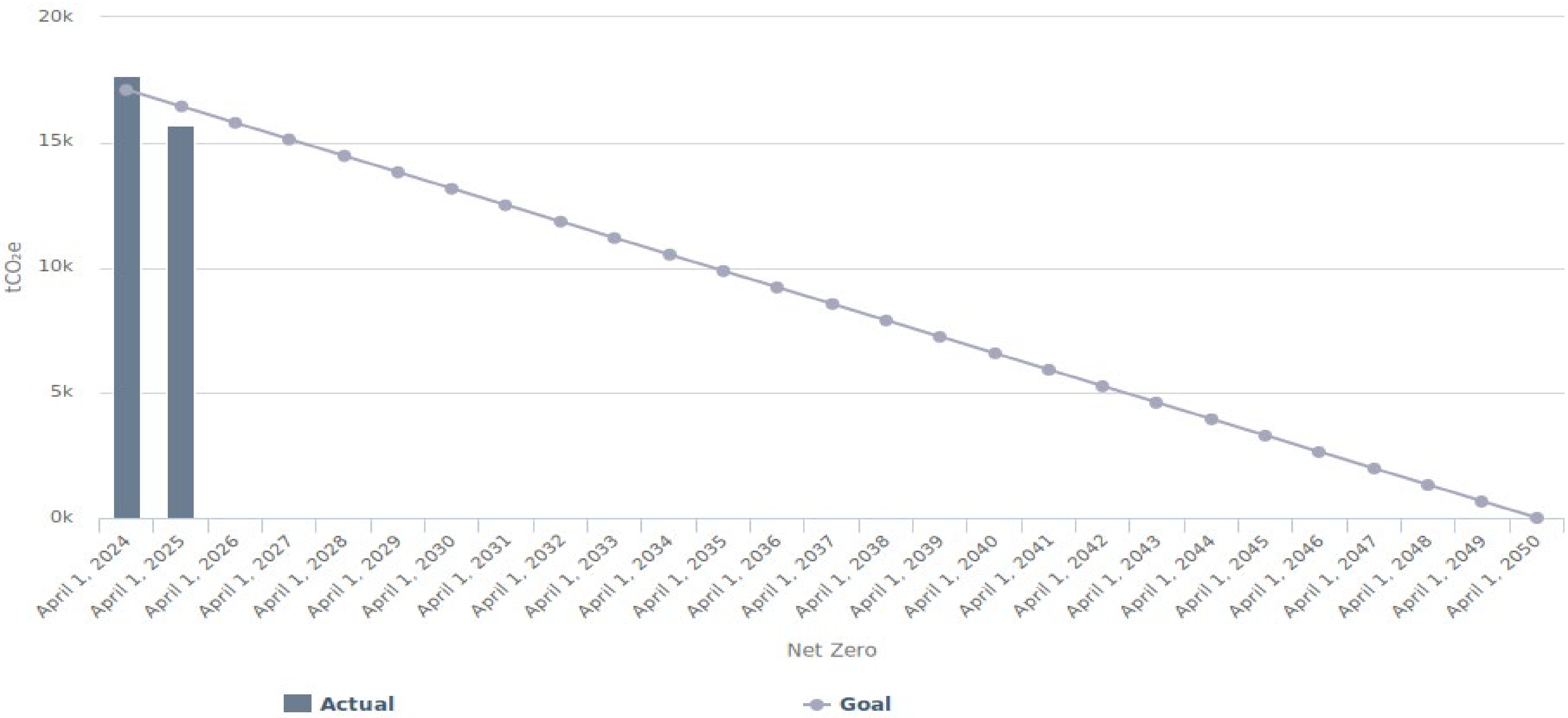
Scope 2 emissions also saw a marked improvement, with a 14% decrease (117 tC02e) compared to the previous year. This reduction highlights continued efforts to lower emissions associated with purchased electricity and other indirect energy sources.

Energy MWh	2025-26	2024-25	2023-24	2017-18 GGC baseline	% change since last FY	% change on GGC baseline
Electricity	3,041	3,154	3,172	4,088	-4%	-26%
Electricity PV	37	32	92	N/A	+14%	N/A
Electricity Total	3,078	3,186	3,264	4,088	-3%	-25%
Gas	3,673	4,188	4,135	3,717	-12%	-1%
Total	**6,751**	**7,374**	**7,399**	**7,805**	**-12%**	**-14%**
Energy costs	658	969	673	618	-32%	+6%
MWh per FTE	34	39	38	41	-13%	-17%

Net Zero 2050

Along with the rest of government, Cefas has committed to ensuring our operations generate net zero carbon emissions by 2050. Our progress towards this target, assuming a linear comparative, is 4.5% ahead of the target based on 2025-26 operating performance.

Chart of Total Carbon Emissions against our Net Zero 2050 Target:



Waste

Waste levels have risen across all Cefas sites, primarily because of enhanced sample storage requirements and a decrease in available storage capacity. This has necessitated a more frequent turnover of stored materials, contributing to the overall increase in waste generated. Cefas waste is made up of municipal waste for recycling and general waste, with hazardous waste as other waste, and mineral waste for recycled scrap metal.

To improve the accuracy of waste reporting, waste is now weighed at two Cefas locations. This approach provides precise data on waste output, replacing the previous system of estimated weights, and allows for more reliable monitoring and management of waste streams.

All food waste produced at Cefas sites is directed to anaerobic digestion facilities, ensuring environmentally responsible disposal. In addition, waste scheduled for incineration undergoes a process that guarantees a minimum heat recovery rate of 65%.

Re-use schemes have been established at the Weymouth and Lowestoft sites. These initiatives involve the return of all packaging materials and chemical containers to their original producers, reducing the amount of waste requiring disposal and promoting circular resource use.

Efforts to minimise single-use plastics have been implemented throughout Cefas offices, where they have been eliminated entirely. In laboratory settings, single-use plastics have been reduced as much as possible, further supporting the organisation’s commitment to sustainability and responsible waste management.

Waste metric tonnes	2025-26	2024-25	2023-24	2017-18 GGC baseline	% change since last FY	% change on GGC baseline
Recycled	78	38	116	80	+105%	-3%
Food waste	11	14	6	-	-21%	N/A
Incinerated with energy recovery	71	66	51	74	+8%	-4%
Incinerated without energy recovery	0	0	1	5	0%	100%
To landfill	0	0	0	32	0%	100%
Hazardous waste	7	9	9	29	-22%	-76%
Total waste	**167**	**113**	**177**	**220**	**+48%**	**-24%**
Waste scope 3 tC02e	31	25	17	10	+24%	+210%
Waste tonnes / FTE	0.27	0.20	0.33	0.37	+34%	-27%

2025-26 [1] Total waste Cost	Recycling cost	Food waste cost	Incinerated waste with energy recovery	Incinerated without energy recovery	Hazardous waste cost
£86,059	£12,755	£1,636	£12,059	0	£59,608

1. Waste Cost data is only available for 2025/26, prior years were previously included in Defra’s Annual Report.

Water Use Across Our Facilities

Weymouth Facility

Water consumption at our Weymouth site is considerable due to the requirements of maintaining the aquarium capability. The operational process involves diluting sea water with 50% fresh water, which is then discharged into the drain. This procedure ensures compliance with our water discharge permit.

Water Savings Initiatives

Efforts to reduce water usage in office areas have been implemented. All water outlets are regularly flushed by our facilities management contractor, contributing to the increase in water consumption across these spaces. There has been a 77% increase in water consumption across Cefas sites resulting in 18.8 tCO2e increase in emissions to 41.1 tCO2e.

Lowestoft Site

Water usage at the Lowestoft site saw a reduction initially. However, there has been an increase in water consumption during the 2025/26 period due to requirements to flush of water system to reduce legionella risks.

Water	2025-26	2024-25	2023-24	2017-18 GGC	% change since last FY	% change since GGC baseline
Portable water m3	85,448	58,811	49,581	64,451	+45%	+34%
Water cost £000	185	165	207	192	+12%	-4%
Water tC02e	32	25	17	10	+28%	+220%
Water use m3/ FTE	378	233	169	258	+62%	+47%

International Freezer Challenge Participation and Achievements

Cefas has demonstrated leadership in sustainability and energy efficiency by actively participating in the International Freezer Challenge. In the 2024-25 competition, Cefas emerged as the Government sector organisational winner for its Weymouth and Lowestoft sites. Additionally, the organisation achieved recognition in laboratory categories, with the R-Chem laboratory receiving the medium lab award and the Ecotox laboratory securing the small lab award.

The International Freezer Challenge is a global event that saw involvement from 3,724 laboratories across 36 countries and 2,865 organisations. Cefas initially joined the challenge in 2023-24, using the opportunity to establish baseline data for its cold storage devices. Building on this foundation, Cefas is set to participate in the 2025/26 challenge, with a clear focus on increasing awareness and further promoting energy efficiency within its operations.

Laboratory Efficiency Assessment Framework (LEAF) Participation and Impact

The LEAF has been actively implemented for the past eighteen months, engaging twenty- one laboratory groups in its programme. Each of these laboratories has undergone a comprehensive audit to ensure compliance with the framework's specified criteria.

Participation in LEAF has led to noticeable behavioural changes, particularly in relation to sustainability and energy efficiency. These changes have prompted the laboratories to undertake various actions aimed at reducing energy consumption and emissions, yielding substantial energy and emission savings as a result.

The LEAF initiative is strongly associated with the International Freezer Challenge, emphasising the importance of collaborative efforts and a fundamental shift in working practices. This approach has proven effective, delivering significant energy savings at the Lowestoft site, where a reduction of 35% in energy use was achieved in 2025/26.

Governance

Overall responsibility for sustainability performance lies with Senior Leadership Team and the Operational Excellence Head of Function. For targeted action, sustainability progress is supported by the Cefas Sustainability Committee (CSC) which meets quarterly. The CSC reports through to Directors at the Senior Leadership Team. The purpose of the CSC is to monitor and promote the development of reliable and effective environmental management standards across Cefas, whilst encouraging a culture of continuous environmental improvement. The CSC via the Sustainability Champion provides a management review to direct the Senior Leadership Team and Cefas Management Board on recommended actions to reduce the environmental impact of the organisation. Cefas is a member of Defra's Sustainability Leadership Group and Sustainable Laboratory Group.

Task force on Climate Related Financial Disclosure

Climate Related Financial Disclosures

TCFD Compliance and Reporting

Cefas has reported on climate-related financial disclosures in accordance with HM Treasury's TCFD-aligned disclosure application guidance. This guidance is designed to interpret and adapt the TCFD framework specifically for the UK public sector. Cefas has followed the TCFD recommendations and related disclosure requirements.

Assessment of Climate Change Risks

Cefas is compliant with the TCFD disclosure requirements as it has acted in proportion to its risk profile, given that climate change is not considered a principal risk, or a component of a principal risk. Currently only Cefas UK sites have been evaluated for climate-related risks.

Future Actions

To address gaps in compliance, Cefas is establishing a working group tasked with reviewing international operations for climate change risks and opportunities. This initiative aims to ensure a comprehensive approach to climate risk assessment across all areas of Cefas's operations.

TCFD & TNFD recommended disclosures by pillar	Disclosure location within this document
Governance (a) and (b)	Governance section Sustainability report page TBC
Strategy (a) to (d)	In TCFD section
Risk management (a), (b) and (c)	Risk management section
Metrics and targets (b)	Metrics and targets section Sustainability report
Metrics and targets (b)	Overview of carbon footprint and details of performance sections

Cefas current sites Materiality for Climate risk:

Material Climate Hazards and Risk Assessment at Cefas United Kingdom Sites, the assessment uses the Cefas sustainability data for each site, scope 1, 2 and 3. Platform uses precise geographic footprint data with earth observation intelligence and satellite data to identify vulnerabilities to climate change across multiple scenarios using mapping risk across different future climate scenarios and time horizons and links climate risk with GHG emissions tracking and sustainability reporting.

Hazards Considered

Cefas has evaluated a range of climate-related hazards that may impact its current sites. These hazards include flood, heatwave, heavy precipitation, wildfire, changing precipitation patterns, heat stress, hydrological variability, sea-level rise, temperature variability, and water stress.

Hazard Scoring and Time Horizons

In the baseline assessment for 2022, Cefas assigned a hazard score of 9 out of 100. This score considered both acute events and chronic risks, using scenario analysis for 2C of warming and 4C of warming and consideration of different time horizons. Thus, the current climate change risk is not considered a principal or a component of a principal risk for Cefas sites at the present time with the risk being low.

Looking ahead, the hazard score is projected to increase. By 2030 (short term) and 2050 (medium term), the hazard score is estimated to rise to 17 out of 100, assuming a high emission scenario. By 2090 (long term), the hazard score is expected to reach 34 out of 100 under the same scenario, with a particularly high risk of heat stress identified across all Cefas sites.

Integration of Climate Risk into Project Management

Climate change risk is actively considered during the planning phase of projects at Cefas. Risks are reviewed throughout project delivery and again after completion. Where necessary, significant risks are escalated to the Audit Risk and Assurance Committee for further consideration and action. Working group has been set up under the ARA committee to review climate change risk for overseas work that Cefas undertakes including adaption and transition risk. Opportunities for increased climate change work in the marine sector globally for Cefas from climate change.

Risk Management

Cefas employs a comprehensive risk management framework which includes climate related risks and opportunities. At the present time climate change is not considered a principal risk for Cefas UK sites. International Cefas operations have not yet been fully evaluated for climate related risk; they will be assessed and included in the 2027 ARA reporting cycle. There are strategic level risks which are assessed by Directors and the Board in setting overarching strategy and business plans. These have identified a growing need for our core scientific evidence and advice to assist sustainable management decisions which we actively responding to through developing core long term data availability, novel analysis tools and direct climate and related objective advice. We have also set out a strategic intent to become a net zero operating organisation by 2050, in line with the Governments national target. Longer term climate change adaption risks to our major assets and operations are regularly assessed and escalated as required to Head of Function (Project Management). This hierarchical approach ensures that all potential risks are systematically identified, assessed, and managed.

Governance

Overall accountability for climate related risk and opportunity management lies with the Cefas Management Board, Responsibility for the development and actioning of risk mitigation and opportunity strategies, plans and performance lies with the Cefas Senior Leadership Team and Head of Operational Excellence. The Audit and Risk Assurance Committee and related Senior Leadership Team sub-committee provide assurance of our progress against our strategy and plans.

Strategy

Climate Change Risk Working Group

In recognition of the importance of ongoing evaluation of climate change risks and opportunities, Cefas is establishing a dedicated working group chaired by the Head of Strategy. This group will play a central role in reviewing both direct and indirect climate change risks, as well as identifying potential opportunities associated with Cefas's international activities.

The working group's responsibilities will include conducting a thorough assessment to determine whether climate change should be classified as a principal risk for Cefas or considered as a component within an existing principal risk. This evaluation will be anchored in the operational and strategic risks previously identified by Defra, ensuring a consistent approach across departmental risk management practices.

By integrating climate change considerations into Cefas's overall risk management framework, the working group aims to ensure that all relevant risks are appropriately represented and addressed. The outcomes of these reviews will be documented and reported in the next year's Annual Report and Accounts reporting cycle, as well as in future periods, thereby contributing to ongoing transparency and strategic alignment.

UN Sustainable Development Goals

The United Nations has established 17 Sustainable Development Goals (SDGs), which are designed to end poverty, safeguard the environment, and foster global prosperity.

Cefas, through its work nationally and internationally, contributes to SDG 14, Life Below Water, which focuses on the conservation of marine resources. Cefas also contributes to SDG 13, Climate Action, which addresses the challenges posed by climate change. Cefas advances these objectives by undertaking projects that protect marine environments and mitigate the effects of climate change. Other SDGs are supported through the work of Cefas such as SDG 5, Gender Equality, and SDG 10, Reduced Inequalities.

Business Travel

Reduction in Business Travel and Fleet Emissions

A notable decrease in business travel has occurred because of the completion of several projects in 2025. The subsequent projects scheduled do not demand the same volume of travel, leading to a further reduction in travel-related emissions.

In addition, Cefas is progressing towards achieving zero tailpipe emissions for its fleet vehicles. This milestone is expected to be reached by the summer of 2028, reflecting the organisation's ongoing commitment to sustainable practices and environmental responsibility.

Business Travel and Related Emissions

There has been a notable reduction in travel distances for flights and trains, total passenger kilometre per FTE reduced from 10,579 km to 8,229 km per FTE. The Cefas Research Vessel remains a significant contributor to overall organisational emissions, accounting for 30.5% of Cefas total emissions. Of the Research Vessel emissions, scope 1 represents 24.5% while scope 3 is responsible for 6.0%.

Travel	2025-26	2024-25	2023-24	2017-18 GGC baseline	% change since last FY	% change since GGC baseline
Domestic tC02e	141	178	161	262	-21%	-46%
Domestic flight number	80	73	59	199	+10%	-60%
Domestic flights km	40,716	37,597	31,508	101,523	+8%	-60%
Rail travel km	693,631	788,371	719,381	886,277	-12%	-22%
Hire car km	163,228	172,925	204,562	469,738	-6%	-65%
Taxi km	34,814	156,156	69,940	255,823	-77%	-86%
Private Own car km	59,392	64,971	82,546	67420	-9%	-12%
Research Vessel tC02e	4,366	5,435	5,394	3,837	-20%	+17%

International flights km	4,365,054	4,931,035	5,489,669	5,101,398	-11%	-14%
Eurostar km	12,341	14,520	6,649	39,478	-15%	-69%
% Ultra-low emission Vehicles UK	10	11	12	0	-9%	N/A
% Zero emission vehicles	1	1	0	0	0%	N/A
Spend on official business travel £'000	1,330	1,292	1,263	1,150	+3%	+16%

Sustainable Procurement

Procurement	2025-26	2024-25	2023-24	2017-18 GGC baseline	% change from previous FY
Carbon tC02e	7,697.6	8,511.4	9,412.1	4,347.1	-10%
Spend UK £	30,816,237	34,073,889	37,679,747	17,671,310	-10%

Procurement is the largest greenhouse gas emissions category for Cefas at 50% of materiality. Cefas awards many of its major contracts through Crown Commercial Service frameworks, Defra group contracts or through other central purchasing bodies, where sustainability has been built into the contracts, and the social, economic, and environmental impact in the purchase of goods, services and works has been considered.

Sustainability requirements are built into Cefas tender specifications and evaluation criteria which support effective contract management applying a corporate approach to risk management and key performance monitoring. Cefas launched its own Sustainable Procurement Policy in June 2023. The strategy sets out our approach to procurement and is aligned with Cefas strategic goals, values, initiatives, and regulatory compliance with the Procurement Act 2023 and with Government buying standards.

The strategy seeks to achieve best value outcomes which consider factors other than price such as prior experience, capacity, quality, innovation, technical expertise, and sustainability impacts. Through the policy we aim to achieve social and environmental good through our purchases, as well as ensuring value for money. We are working closely with our large suppliers to better understand, report, and reduce the environmental impacts of procurement, encouraging suppliers to set their own science-based carbon reduction targets and provide emission data to Cefas. The 2023 policy lays out our current processes and plans for identifying, measuring, and monitoring sustainable procurement.

Since our last statement we have started to embed specific sustainability KPI’s within relevant major contracts at Cefas which will comply with monitoring and reporting requirements under the procurement regulations.

We are also undertaking further work on enhancing our contract management capability with a programme of work to ensure alignment with central government commercial standards. Many of our procurements are below threshold, so we take a proportional approach, and wherever possible we buy through central frameworks so that we can ensure compliance with GBS.

Green IT

ICT Waste	2025-26	2024-25	2023-24	% change from previous FY
Recycling kg	0	1,163	1,800	-100%
Spend UK £	0	2,210	8,165	-100%

Cefas continues to align with the Governments Greening Government sustainable IT strategy. This includes acknowledging the extent to which Green IT best practice has been adopted to date and to embedding Green IT into our future management practices and processes. We continue to implement the UK Governments Cloud First programme by consolidating Cefas use of Microsoft's Office 365 and Azure hosting as well as the implementation of cloud-based video and telephony services. These improvements increase the availability and usage of web-based messaging, video conferencing, and increased collaboration facilities, enabling colleagues to share and collaborate on documents with each other and partners, reducing face to face meetings and travel related emissions.

We continue to assess and optimise personal and server computing assets to reduce our carbon footprint, rolling out lighter and more energy efficient laptops. Where IT hardware continues to be re-used within Cefas, or collected by specialist contractors who arrange re-use, recycling, and eventual disposal. Future improvements with the availability of better tools related to our cloud environment we are now able to start to account for and report on Cefas's carbon usage related to Cefas's Microsoft cloud-based systems and services.

Environmental Management system

Cefas operates an environmental management system that is fully compliant with BS EN ISO 14001:2015. All Cefas UK operations fall under the coverage of the DgP ISO 14001:2015 certification. This system is utilised to monitor and address the organisation’s environmental impact, ensuring that environmental performance is actively managed and improved over time. The environmental management system enables Cefas to monitor, report and deliver against specific environmental targets and objectives, supporting continual improvement in environmental stewardship and compliance.

Building Assurance

Cefas demonstrates its commitment to quality, environmental sustainability, occupational health and safety, and laboratory competence through the achievement of several internationally recognised standards. The organisation holds ISO 9001 for quality management, ISO 14001 for environmental management, and ISO 45001 for occupational health and safety, as well as ISO 17025 accreditation for laboratory testing and calibration. Additionally, the main building at the Lowestoft site has attained a Building Research Establishment Environmental Assessment Method (BREEAM) “Very Good” rating, reflecting its strong performance in sustainable building design and operation.

These certifications and ratings underpin Cefas’s ongoing approach to systematic management and continuous improvement across its sites. Since 2024, oversight of Cefas buildings has been managed by Defra Group Property, which is also responsible for the current facilities management contractor, ensuring that high standards are maintained and developed further.

Biodiversity and Natural Environment

The landscaping project completed at the Lowestoft site in 2021 was specifically designed to provide habitats and resources for pollinating insects as well as to support broader biodiversity. Cefas is committed to building on these efforts by identifying further opportunities to enhance biodiversity and foster wildlife across its locations. However, it is recognised that the available space for making additional improvements is limited.

Climate Change Adaptation

Cefas sites form an integral part of the Defra Group Estates’ climate change adaptation plan. The management of these sites falls under the remit of Defra Group Property, which ensures that Cefas actively supports the Environment Improvement Plan as well as the United Kingdom’s and United Nations’ Sustainable Development Goals aimed at reducing environmental impacts. Environmental and climate considerations are embedded across all Cefas policies and procedures. Fieldwork is conducted in accordance with the latest rural proofing guidance, ensuring that operations are sensitive to rural environments and climate challenges. Furthermore, Cefas contributes to the Defra Sustainability Strategy through its participation in the Sustainability Leadership Group, reinforcing its commitment to sustainable practices throughout its operations.

Future Strategy

Laboratory Efficiency and Sustainable Practice

Cefas is committed to enhancing the efficiency and sustainability of its laboratory operations. To achieve this, the organisation will ensure that every laboratory, including those aboard its Research Vessel, participates fully in the Laboratory Efficiency Assessment Framework. This comprehensive approach will enable Cefas to standardise and mirror sustainability aims and objectives across both laboratory and office environments, fostering a consistent culture of environmental responsibility.

Carbon Budgeting and Social Value Monitoring

To further reduce environmental impact, Cefas will introduce carbon budgets for all projects. This initiative aims to monitor and manage emissions associated with various activities, supporting the organisation's commitment to sustainability and climate change adaptation. In parallel, social value generated through contract management will be closely tracked, with progress and outcomes set to be reported in the next annual report.

Procurement and Circular Economy

Procurement represents the next area of focus for Cefas. The organisation will work to minimise the volume of materials procured, prioritising the retention and reuse of items for longer periods. This strategy aligns with the principles of the circular economy, aiming to reduce waste and maximise resource efficiency throughout Cefas operations.

NEIL HORNBY
Chief Executive Officer
7th July 2026

This signature covers the Performance Report

Accountability Report

Corporate Governance

The purpose of the Accountability Report is to explain the composition and organisation of our governance structures and how they support the achievement of our objectives.

The Governance Statement sets out how we have managed and controlled our resources during the year. It provides assurance on how we have conducted our corporate governance, how we have managed significant organisational risks and how we have addressed control issues. The requirements of the Accountability Report are based on the matters required to be dealt with in a Directors' Report.

The Remuneration and Staff Report provides information on people in Cefas and sets out our remuneration policy for directors. It reports on how that policy has been implemented and sets out the amounts awarded to directors.

Conflicts of Interest

A system is in place to record and manage potential conflicts of interest of Board Members and a Register of Interests is maintained and published at: Our governance - Centre for Environment, Fisheries and Aquaculture

Science - GOV.UK (www.gov.uk). Details of any related party transactions are set out in Note 15.

Our Board

The Cefas Management Board is comprised of five Non-Executive Directors, one Defra Representative and five Cefas Executives. Board members serving for more than 6 months of the year were:

MARK PENDLINGTON

Cefas Management Board, Chair (Non-Executive)

Appointed 2020

Career includes extensive experience of working across the public and private sectors including in industry, national and regional voluntary organisations, further and higher education, economic development bodies and academia, many with UK and international dimensions.

DR RUTH BOUMPHREY

Audit & Risk Assurance Committee, Chair (Non-Executive)

Appointed 2021

Career includes environmental protection, Head of Earth Observation, marine science and technology, and engineering related research.

PROFESSOR RACHEL MILLS

Cefas Science Advisory Committee, Chair (Non-Executive)

Appointed 2021

Career includes leadership roles at King’s College London, where she is currently Senior Vice President (Academic) and at the Universities of Sussex and Southampton. Deep Sea oceanographer and ocean chemist.

MELANIE SIGGS

Cefas Transformation Committee, Chair (Non-Executive)

Appointed 2025

Career spans global strategic roles for both commercial and NGO organisations across the food systems and timber sectors. She has specialised in fisheries and aquaculture over the past 18 years.

SIMON REEVE

Non-Executive

Appointed 2025

Career includes significant international leadership experience spanning maritime, environment, energy & technology sectors. Simon's board experience includes working with private and public sector organisations and charities.

GARETH BAYNHAM-HUGHES

Defra Representative (Non-Executive)

Appointed 2025

Career includes current role as Director of Marine and Fisheries in Defra and previous positions including Animal Health & Welfare Director and Deputy Director for Environmental Principles & Oversight.

NEIL HORNBY

Cefas Chief Executive (seconded 9 June 2025 – 31 January 2026)

Appointed 2021

Career includes a range of senior roles in central government, including most recently as Marine and Fisheries Director in Defra. Previous roles include responsibility for floods policy and nuclear energy.

TIM GREEN
Chief Operating Officer (Interim CEO 9 June 2025 – 31 January 2026)
Appointed 2005
Career includes a broadly equal split within both the public and private sector in a range of finance and operational leadership roles. Including Defra, consultancy, leisure, construction and healthcare sectors.

PROFESSOR GRANT STENTIFORD
Chief Scientist
Appointed 2023
Joined Cefas in 2000 with a PhD in invertebrate pathology. An aquatic animal health specialist with broad interests in development of sustainable aquatic food systems.

DR SIÂN LIMPENNY
Strategy and Delivery Director
Appointed 2020
Joined Cefas in 1994, completed a PhD then worked as a Marine scientist. Appointed as Cefas Divisional Director in 2013, Middle East Operations Director in 2017 and Strategy and Delivery Director in 2022.

STEVE ADDISON
International Funding and Partnerships Director
Appointed 2014
Broad experience in the environmental, marine and finance industries including extensive financial and business development expertise gained through international banking and the Oil and Gas markets.

Our Board's Year

Our Board's focus across 2025-2026 has been aligned to our corporate strategies and the delivery of our strategic priorities. Our new Science, Evidence and Advice Strategy lead to a re-organisation of the Science Directorate and a corresponding alignment with the Strategy & Delivery Directorate. The Board's activities of guiding, supporting and challenge focused primarily on:

Innovation, Science & Technology Capability

- Capability to deliver the Cefas Science and Evidence Strategy Challenges (our outcomes) – people capability, infrastructure, new technology
- Science approach for major programmes
- Science excellence
- Science partnerships
- Leadership positions
- Communication and national engagement

People & Culture

- People leadership, development and career paths
- Pay and reward
- Equity, diversity, inclusion and wellbeing
- Organisational culture

- Workforce planning and inclusive recruitment (FTE oversight)
- Community engagement

Improvement & Assurance

- H&S Culture
- Quality
- Environmental sustainability
- Infrastructure
- Cefas Transformation & Improvement Programme
- Financial performance
- Emergency response readiness
- Risk Management

Outcome Delivery

- Delivery of the Cefas Science and Evidence Strategy Challenges (our outcomes)
- Programme performance
- Programme prioritisation – pipeline planning
- Programme risks and issues
- Cross-cutting programmes
- Partnership feedback

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed Cefas to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Cefas and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

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

- Observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the FReM have been followed, and disclose and explain any material departures in the financial statements;
- Prepare the financial statements on a going concern basis;

- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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

The Accounting Officer of Defra has designated the Chief Executive of Cefas as Accounting Officer of Cefas. The Accounting Officer confirms the following:

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that National Audit Office are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

Governance Statement

This statement sets out the governance arrangements and performance of the Centre for Environment, Fisheries & Aquaculture Science (Cefas) in 2025-26. Cefas is an Executive Agency of the Department for Environment, Food and Rural Affairs (Defra) and as such it is fully accountable to Parliament through ministers.

Governance arrangements are formalised in a Framework Document set by Ministers, which is available to download from www.gov.uk.

Ministers nominate a member of the Defra Executive Committee (ExCo) to act on their behalf in all ownership matters and to be line manager for the Chief Executive. During 2025-26 this role was fulfilled by Defra’s Director General for Environment, Rural and Marine. Their responsibilities include providing oversight of Cefas and assurance to ExCo that appropriate governance arrangements are in place for the agency. Regular performance reports, risk assessments and other management information flows from Cefas to Defra, which are appropriately reported to ExCo. There are numerous other informal links with the Department, including between non-executive directors (NEDs) and in functional areas such as science, finance and human resources.

Chief Executive, Neil Hornby, and Interim Chief Executive, Tim Green, from 9 June 2025 to 31st January 2026, as Accounting Officers have personal responsibility and accountability to Parliament for the organisation and quality of management within Cefas, including its use and stewardship of public assets. In delivering this role, the Accounting Officer is supported and challenged by the Cefas Management Board (the Board). The Board provides strategic leadership for Cefas within a framework of considered risk appetite and effective controls. It is collectively responsible for the long-term success of the agency. The Board operates within the strategic context and authorities set by Defra. Its remit includes setting strategic aims, objectives and risk appetite; ensuring that necessary leadership and resources are in place to deliver its aims; challenging and supporting management performance and providing assurance on effective controls and risk management. A balance of executives, NEDs and a Defra senior official representative provide the appropriate skills, experience, independence and knowledge to enable the Board to discharge its duties and responsibilities. One NED is appointed as a “lead NED” and is Chair of the Board, this role was fulfilled by Mark Pendlington throughout the year. The lead NED provides a sounding board for the Chief Executive and serves as an intermediary for other NEDs, when necessary.

The Board has three committees routinely reporting to it, including an Audit Risk and Assurance Committee (ARAC), Science Advisory Committee and Transformation Committee, each with individual terms of reference that are approved by the Board. These committees have a wholly external membership and are chaired by a NED. Appropriate Cefas executive and external representatives attend the committees as required.

A register of interests declared by Board members is managed by the Chair of the Board to ensure any potential conflict of interest is avoided or managed. During the year, no material conflicts have been reported. The Board and the ARAC have been fully quorate during the year. A record of Board attendance, committee attendance and the register of interests is published at www.gov.uk.

Cefas operates in accordance with HM Treasury's Orange Book principles, with a risk management and assurance framework that is aligned to the Central Government Assurance Directory (CGAD). The framework is designed to ensure clear ownership of risk, defined risk appetite, consistent risk identification and assessment, and the implementation and monitoring of effective controls.

Assurance is provided through a coordinated Three Lines Model, incorporating management controls, oversight and compliance functions, and independent assurance, including Internal Audit. The effectiveness of the framework is demonstrated through assurance mapping, risk reporting, and the triangulation of evidence from management information, second line review, and independent assurance activity. This ensures that risk management is embedded in decision-making, supports delivery of organisational objectives, and drives continuous improvement.

The Board’s assessment of its adherence to the Corporate Governance in Central Government Departments’: Code of good practice 2017, published by HM Treasury, confirms that Cefas complies with relevant principles and protocols in so far as it applies to an Executive Agency, with no known exceptions.

Cefas Management Board (the Board)

Executive Members

Neil Hornby (excluding 9th June 2025 to 31st January 2026 while on secondment)
Tim Green
Grant Stentiford
Siân Limpenny
Steve Addison

Non-Executive Members

Mark Pendlington (Chair)
Ruth Boumphrey
Rachel Mills
Melanie Siggs
Simon Reeve

Defra Representative

Gareth Baynham-Hughes (from September 2025)

	Audit & Risk Assurance Committee	Cefas Science Advisory Committee	Cefas Transformation Committee
Frequency	**4 Meetings held**	**1 Meeting held**	**2 Meetings held**
Members	Ruth Boumphery (Chair) Simon Reeve Mark Pendlington Anne Marie Millar (Independent ARAC NED).	Rachel Mills (Chair) Supported by co-opted Independent External Advisers as required.	Melanie Siggs (Chair) Mark Pendlington Ruth Boumphery Rachel Mills Simon Reeve Gareth Baynham-Hughes

Key areas of responsibility	Provides an assurance function for corporate governance and control systems, advising on audit matters, as well as reviewing performance and risk, including health and safety.	Provided independent challenge and assurance on the robustness, relevance and credibility of Cefas's science and evidence base, operating strictly in an advisory capacity.	Provides a forum for external ideas and advice from Non-Executive Directors to support the delivery of Cefas' long-term strategic objectives.

Key subjects of focus	Oversight of governance, risk management and internal control, providing independent advice. Scrutiny of internal and external audit, including audit plans, key findings and responses. Review of financial reporting. Constructive challenge on assurance and risk maturity, drawing on	Strategic review of Cefas science, including the Annual Science Review and targeted deep-dives. Advice on delivery of the Science and Evidence Strategy, and alignment of priorities and investment. Oversight of scientific quality, performance and impact. Constructive challenge and external perspective to support continuous	Strategic oversight and advice on Cefas-wide transformation, supporting delivery of the 2030 Strategy. Early-stage review of transformation risks, opportunities and proposals, providing challenge and

audit evidence and best practice to strengthen organisational resilience.	improvement in scientific practice.	external perspective. Advice to strengthen the design and prioritisation of transformation initiatives. Promotion of evidence-based transformation.

Cefas Management Board Attendance 2025–2026

Full Board Meetings [1]

Name	Job Role	Start Date	Meetings Attended
Mark Pendlington	Non-Executive Director & Board Chair	01-11-2020	4 out of 4
Ruth Boumphrey	Non-Executive Director	21-06-2021	3 out of 4
Rachel Mills	Non-Executive Director	21-06-2021	4 out of 4
Melanie Siggs[2]	Non-Executive Director	01-04-2025	4 out of 4
Simon Reeve[2]	Non-Executive Director	01-04-2025	4 out of 4
Gareth Bayham-Hughes[3]	Defra Representative	08-09-2025	2 out of 2
Neil Hornby[4]	Executive Director	01-02-2021	1 out of 4
Tim Green	Executive Director	22-08-2005	4 out of 4
Grant Stentiford	Executive Director	01-03-2023	4 out of 4

Siân Limpenny	Executive Director	01-07-2020	4 out of 4
Steve Addison	Executive Director	22-07-2021	4 out of 4

1. To be considered quorate, the meeting requires at least 5 members to be present, including either the Chief Executive or the Chair and at least 2 NEDs and 2 Executive Directors.
2. Non-executives Simon Reeve & Melanie Siggs joined Cefas on 1 April 2025
3. Previous Defra Representative Mike Rowe left in July 2025, and Gareth Baynham-Hughes started in September 2025.
4. Neil Hornby, Executive Director was on secondment as Chief Executive of the Rural Payments Agency from 9th June 2025 to 31st January 2026, missing three meetings. During this secondment, Tim Green fulfilled the Chief Executive and Accounting Officer role.

Cefas Audit, Risk & Assurance Committee 2025–2026

Name	Job Role	Start Date	Meetings Attended
Ruth Boumphrey	Non-Executive Director & Board Chair	21-06-2021	4 out of 4
Anne Marie Millar	Senior Independent Director	14-10-2021	4 out of 4
Mark Pendlington	Non-Executive Director	01-11-2020	3 out of 4
Simon Reeve	Non-Executive Director	01-04-2025	4 out of 4

Effectiveness of Cefas Management Board Performance

The Board conducts an annual review of its terms of reference and a continuing evaluation of its own performance and effectiveness. The performance evaluation approach in 2025-2026 was to conduct effectiveness assessments at the close of each meeting. This recognised the Board was performing effectively with improvement actions followed through in the year being: increasing the visibility of the Board, an increase in external engagement with partner organisations and bringing more external voices and ideas to the Board.

The Board routinely reviews performance data using a balanced scorecard approach that aligns operational indicators with Cefas' strategic objectives. The Board considered this data to be of an appropriate quality and is content that all relevant matters are correctly reported for Board assessment. This judgement is further assured through management statements on compliance performance, NEDs' personal engagement with operating Directorates, rotational presentations from operational teams and reporting from Board sub-committees.

Cefas has successfully navigated a year filled with challenges, including new policy demands, major programme changes and ongoing financial pressures.

Despite these challenges, Cefas has consistently delivered high-impact evidence and advice both domestically and internationally. The organisation has also exceeded expectations in several key performance areas, such as in influencing decisions and working together with partners (details provided in Section 1, Performance Report).

In addition to supporting Cefas' operational performance, the Board has tackled several significant initiatives this year. Evolving the People Development Committee into the Transformation Committee recognises the challenges the organisation faces, with the People focus now sitting within our wider transformation objectives. July 2025 saw Cefas convening the landmark 2-day Future Ocean conference, designed to bring together the UK’s leading marine science, evidence and advice providers with users to accelerate how science informs policy and delivers benefits for society and nature. In quarter 4, Defra formally delegated the commissioning and delivery of the Marine & Fisheries R&D portfolio to Cefas, recognising Cefas’ position at the heart of Defra’s marine science delivery. The Future Delivery @ Sea project to reform marine data collection and replace Cefas’ Research Vessel advanced substantially with a compelling business case.

The Board has also reviewed Cefas' strategic positioning to ensure its continued success and sustainability in a challenging environment.

The Board continues to challenge Cefas to prioritise work that supports strategic, national, and global priorities, contributing to the sustainability of the marine environment and the government's growth agenda.

Risk Management

1. Cefas Risk Landscape

Risk context

Cefas operates in a complex and evolving risk environment shaped by changing government priorities, funding constraints, scientific and technological change, and increasing expectations around assurance, transparency and delivery. Risk management supports the achievement of Cefas' strategic objectives by enabling informed decision-making, prioritisation of resources and effective stewardship of public funds.

Risk governance and oversight

Risk management is embedded within Cefas' governance arrangements. The Senior Leadership Team oversees principal risks on a quarterly basis, supported by deep dives into higher-rated risks. The Cefas Management Board and the Audit and Risk Assurance Committee provide independent oversight and challenge, ensuring that risks are managed within agreed appetite and that mitigating actions are effective.

Assurance framework

Cefas operates a proportionate assurance framework aligned to the three lines of defence model:

1. Management ownership of risks and responsibility of controls
2. Oversight through risk and assurance assessment against functional standards
3. Independent assurance through internal and external audit

2. Our Risk Appetite

The Board has agreed differentiated risk appetite levels across key risk categories, reflecting Cefas’ role as a science-led public body, delivery partner and trusted advisor. To improve clarity and accessibility, categories with the same appetite level are grouped following.

Averse	Minimal	Cautious	Open	Eager
Avoidance of Risk is a priority	Preference for very safe options with minimal risk tolerated where reward is not a key driver	Preference for safe delivery options where only low level, managed risk is tolerated in pursuit of objectives	Willing to consider all potential options, including those of a higher risk if appropriately controlled, where the benefits outweigh impacts	Eager to be innovative and choose activities offering potentially very high rewards even if activities are very high risk
	Legal	Security	Strategy	
	Property	Commercial	Operations	
		Financial	Project and Programme	
		Governance	Technology	
		Reputational		
		Data & Info Management		
		People		

Key messages

Cefas has a minimal appetite for legal and property-related risks, a cautious appetite where public trust, people, data, security and financial stewardship are concerned, and a more open appetite for strategic, operational, technological and programme risks where these enable innovation, scientific advancement and delivery of long-term objectives.

3. How We Manage Risk

Identify → Assess → Control → Monitor → Escalate

Risks are identified through strategy development, programme delivery, science activity and horizon scanning. They are assessed using impact and likelihood, owned by accountable leaders, and reviewed regularly through management and Board-level processes.

4. Principal Risks Overview

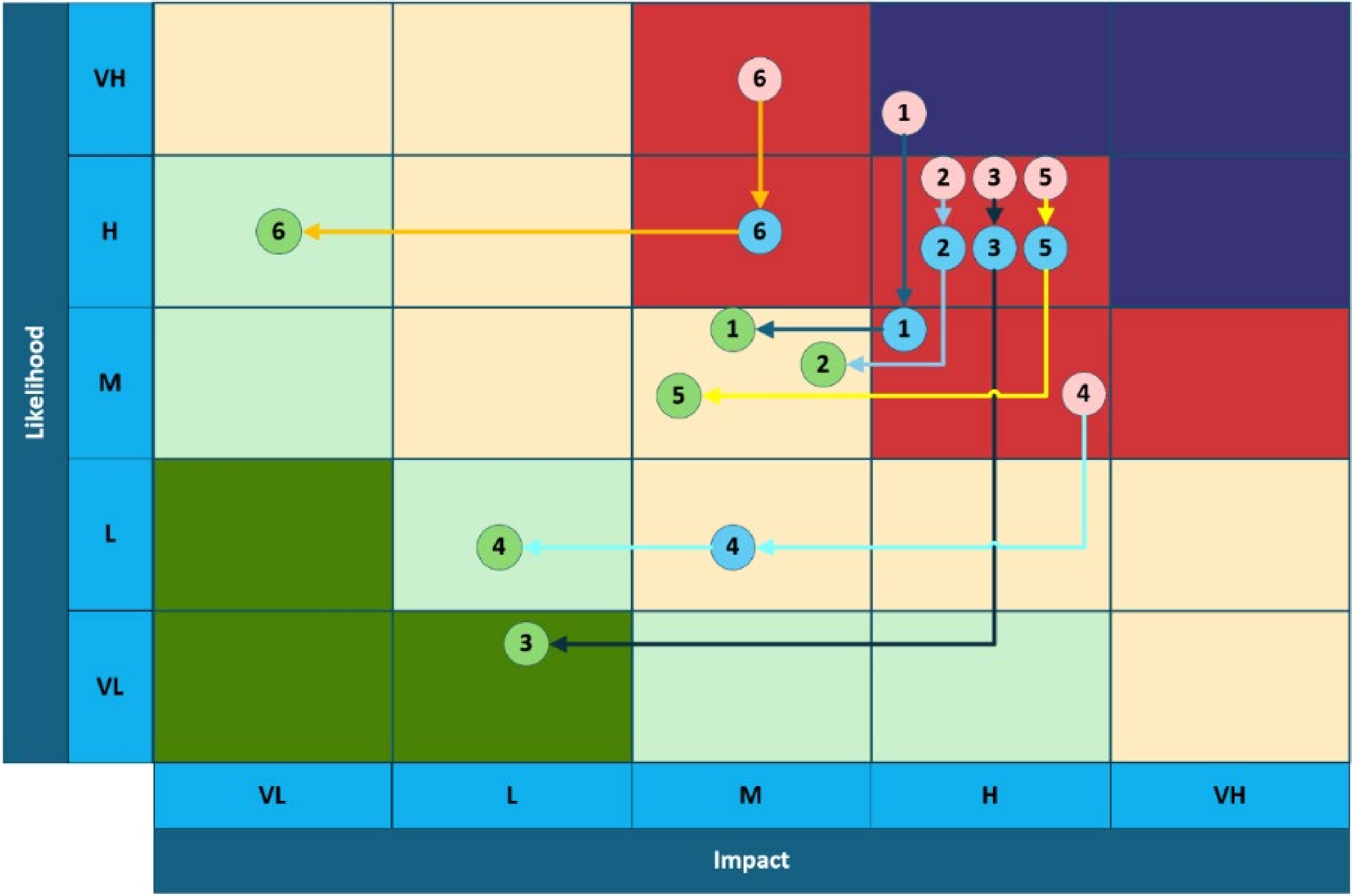
The table below summarises Cefas' principal risks, reflecting those with the highest residual impact and requiring sustained Board oversigh

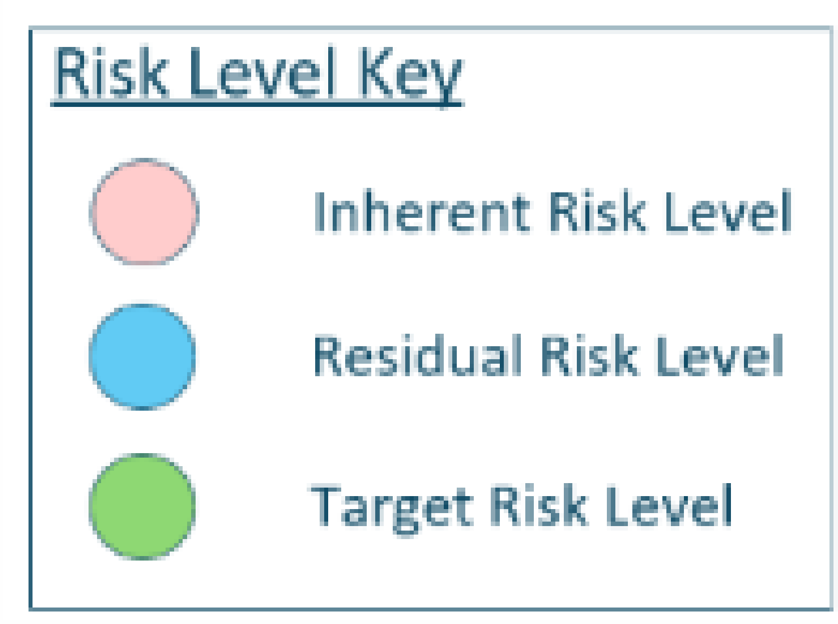
Principal Risk	Strategic Objective Affected	Risk Appetite	Trend	Residual Risk
[1] Funding sustainability (incl. ODA funding & costs)	Delivering high-quality science & statutory services	Cautious	▲	High
[2] People – availability of critical skills and capacity	Trusted evidence, advice and delivery	Cautious	►	High
[3] FM & Property operational responsibilities	Safe, compliant a nd resilient operations	Minimal	►	High
[4] Science quality and assurance of outputs	Scientific credibility and reputation	Cautious	►	Medium
[5] Research vessel programme planning & resilience	Delivery of marine evidence programmes	Cautious	►	High

6	Emergency response readiness	National resilience and statutory response	Cautious	►	High

Trend key: ▲ Increasing ► Stable ▼ Decreasing

5. Principal Risks Heat Map





The Heat Map shows the relative position of Cefas' principal risks at each risk level, before mitigation (Inherent), after current mitigations are actioned (Residual), and the acceptable risk level (Target), highlighting where active management and Board oversight are most concentrated.

6. Risk Deep Dives – Top 3 Highest-Rated Impacts

1. Funding Sustainability (incl. ODA funding & costs)

What could happen

Insufficient or uncertain funding could reduce Cefas' ability to sustain scientific capability, statutory delivery and long-term programmes.

Why this matters

Stable funding underpins trusted evidence for Defra, wider government and international partners.

How we manage this risk

Active engagement with funders, medium-term financial planning and prioritisation of critical capability.

What changed this year

External funding pressures have continued across the public sector, increasing affordability constraints and uncertainty for longer-term programmes.

Board focus for 2025–26

Affordability, resilience and protection of priority capability through engagement, prioritisation and financial planning.

2. People – Availability of Critical Skills and Capacity

What could happen

Insufficient availability of specialist skills or capacity could undermine Cefas' ability to deliver high-quality science and statutory services.

Why this matters

Scientific capability is central
to Cefas’ credibility, reputation and value to government.

How we manage this risk

Workforce planning, skills pipelines and collaboration with partners.

What changed this year

Total Full Time Equivalent resources are reducing in line with our Business Plan. Continued competition for specialist skills and emerging capability requirements linked to future programmes.

Board focus for 2025–26

Protection of critical skills and delivery of organisation-wide workforce planning.

3. FM & Property Operational Responsibilities

What could happen

Weaknesses in FM and property arrangements could lead to safety, compliance or operational disruption.

Why this matters

Safe and resilient facilities are essential to staff wellbeing and uninterrupted service delivery.

How we manage this risk

Assurance, escalation and engagement with Defra Group Property.

What changed this year

Further cases of failed site infrastructure requiring reactive workarounds and remediation. Transition arrangements and assurance activity have continued, with ongoing reliance on Defra Group Property operating model maturity.

Board focus for 2025–26

Assurance, compliance and resilience, with continued scrutiny of FM and property arrangements and escalation where required.

7. Looking Ahead

The Board will continue to focus on risks that most directly affect Cefas' ability to deliver trusted science, protect the environment and support government decision-making, ensuring that risk management remains proportionate, forward-looking and aligned to strategy.

Role of the Audit and Risk Assurance Committee (ARAC)

The ARAC is a committee of the Cefas Board, chaired by an independent Non-Executive Director. The committee supports the Board and the Accounting Officer by providing independent advice and assurance on the effectiveness of Cefas' governance, risk management and internal control arrangements.

During the year, the ARAC oversaw Cefas' framework for identifying, managing and monitoring risk, with particular focus on the organisation's principal risks and significant emerging issues. The Committee reviewed the adequacy of risk mitigations, challenged management on delivery against agreed actions, and sought assurance that residual risks remained within the Board's risk appetite.

The ARAC reviewed the work and findings of both internal and external audit, including the internal audit plan and individual audit reports. This includes an Annual Report from the Head of Internal Audit which recorded a positive overall opinion of Moderate. The Committee considered the level of assurance provided, monitored management's response to audit recommendations, and required additional assurance where progress was slower than expected or where issues were assessed as higher risk.

The Committee also considered the effectiveness of Cefas' arrangements for counter-fraud, cyber and information risk, financial management, and reliance on key third-party suppliers. In doing so, the ARAC maintained a forward-looking perspective, taking account of organisational change and the wider operating environment.

In line with its role, the ARAC reviewed the draft Annual Report and Accounts and Governance Statement, advising the Accounting Officer on their overall fairness, balance and clarity, and whether they appropriately reflected the underlying governance, risk and assurance evidence.

Through its work during the year, the ARAC provided the Accounting Officer with confidence that appropriate and proportionate arrangements were in place to support effective governance, risk management and internal control across Cefas.

Compliance with the Government Functional Standards

The Government Functional Standards set out expectations for how government organisations should manage key activities in a consistent, efficient and accountable way. As an executive agency of Defra, Cefas applies the standards in a proportionate manner, taking account of organisational scale, operating context and risk.

Cefas has adopted the Government Functional Standards relevant to its activities and has established governance, policies and processes aligned to their requirements. Compliance is overseen through existing corporate governance arrangements, including the Cefas Management Board, ARAC and executive boards rather than through standalone compliance structures.

During the year, Cefas reviewed its level of alignment with the applicable functional standards to provide assurance that arrangements remain appropriate and up to date. This assessment considered both the design of controls and their effective operation in practice, informed by management review, internal audit activity and other sources of assurance where relevant.

The accompanying table summarises Cefas' assessment of compliance with each applicable Government Functional Standard, identifies the senior owner responsible, and highlights any areas where further improvement activity is planned. Where gaps or partial alignment have been identified, these are being addressed through agreed management actions, prioritised according to risk and business impact.

Functional Standards compliance:

Standard	Owner	Compliance Level 25/26	Compliance Level 24/25
Project Delivery GovS002	Project Management Office Lead	Developing	Developing
Human Resources GovS003	Head of People and Culture	Best	Developing
Property GovS004	Defra	Good	N/A
Digital, Data & Technology GovS005	Digital, Data & Technology Director	Developing	Developing
General Finance GovS006	Head of Finance	Best	Best
Security GovS007	Head of Risk Security & Infor mation	Best	Best
Commercial GovS008	Head of Procurement	Better	Good
Internal Audit	Defra	N/A	Best

GovS009			
Analysis GovS010	Chief Scientist	Better	Better
Communications GovS011	Head of Communications	Good	Good
Counter Fraud Govs013	Head of Risk Security & Information	Better	Better
Debt Govs014	Head of Finance	Best	Best
Grants Govs015	N/A	N/A	N/A

Cefas receives Property and Internal Audit services from the Core department. As part of the services delivery model, the Core department and its Heads of Profession conduct regular benchmarking and assessments against cross government Standards. These are used to determine future development areas and investment bids and requirements. An assessment has shown that the rating for the Property Functional Standard was "Good". The Internal Audit Functional Standard's Continuous Improvement Assessment Framework (CIAF) was withdrawn in February 2026, thus no "Developing", "Good", "Better", or "Best" rating can be reported. To comply with Global Internal

Audit Standards (GIAS), an External Quality Assessment (EQA) was conducted, and, as a result, a Quality Assurance and Improvement Plan (QAIP) is being developed which will address a small number of standards where action has been recommended, alongside suggestions to help the Agency develop further

Overall, the Accounting Officer is satisfied
that Cefas' arrangements are aligned with the intent of the Government Functional Standards and support effective governance, risk management and delivery of objectives, with no material non-compliance identified during the year.

Whistleblowing

A whistleblowing policy is in place and operated throughout the year. The annual review of the performance of this policy took place and agreed that it was effective in providing a clear route to raise concerns regarding Cefas' operations. No formal incidents were reported and reviewed in the year; however, several concerns were resolved at management level, in line with the policy. There were no significant lapses of corporate or personal protected data. Training and internal communications are used to maintain skills and awareness amongst colleagues of the obligations and reporting arrangements for dealing with potential fraud, bribery, corruption, information security and whistleblowing matters.

Personal Data Related Incidents

There have been no incidents of data loss involving personal information over the reporting period that required formal reporting to the Information Commissioners Office. There were eleven non-reportable incidents of unauthorised minor personal data disclosure.

Complaints

There have been no formally escalated complaints during 2025-26.

Ministerial Directions

No ministerial directions were received in the year.

Significant Issues and Ongoing Risks

There is positive assurance over the operation of Cefas' overall governance and controls during the reporting period 1 April 2025 to 31 March 2026. No significant performance or control weaknesses were identified in year.

Conclusion

The governance arrangements set out in this statement have supported Cefas' aims throughout the year as evidenced by strong levels of partner satisfaction, highly regarded scientific excellence, sustainable finances, engaged people and sound assurances. Accordingly, as the Accounting Officer I have considered the evidence provided including assurance provided by the Interim Chief Executive Officer, Tim Green, who undertook the Accounting Officer role from 9th June 2025 to 31st January 2026, and I am satisfied with this statement of governance for the year 2025-26.

Remuneration Report

The Cabinet Office, subject to HM Treasury remits, together with the Chief Executive sets the remuneration of the Cefas Management Board's (the Board's) executive directors. The remuneration of senior civil servants (SCS) is set by the Prime Minister, following independent advice from the Senior Salaries Review Body (SSRB). The Cabinet Office advises the Department each year of the government's response to the SSRB recommendations and produces guidance for departments to follow.

Neil Hornby, Chief Executive; Tim Green, Chief Operating Officer, Steve Addison, Commercial Director, Grant Stentiford, Chief Scientist, Siân Limpenny, Strategy and Delivery Director are senior civil servants under permanent contracts of employment with Defra. The agency bears the cost of each set of executive directors' employment.

Up to 15% of Directors' remuneration may be performance-related and is reviewed against the achievement of ministerial and personal targets. There is a maximum notice period of six months from Cefas/ Defra and a minimum of three months from the employee. The length of service, salary and age of the employee determine any termination payments payable.

All non-executive directors are contracted by Cefas and have notice periods of three months, from either Cefas or the individual. The Defra Representative on the Board is employed by Defra who assume all the costs of their attendance at the board and these costs are not reflected within Cefas’ reporting.

No awards for early termination were made to existing or former directors in the year.
No benefits in kind were paid to directors in the year.

Note: Neil Hornby’s secondment to RPA started on 9th June 2025 and ended on 31st January 2026. During this period Cefas covered the salary expenses plus a temporary allowance, with no recharge to the secondment agency.

Remuneration of Cefas Directors (audited)

Executive Board Directors £'000	Salary [1]		Performance Pay		Pension Benefits [2, 3]		Total	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Chief Executive Neil Hornby	125-130	115-120	5-10	0-5	95	88	225-230	205-210
Chief Operating Officer Tim Green	95-100	85-90	0-5	0-5	27	33	125-130	125-130
Chief Scientist Grant Stentiford	85-90	80-85	0-5	-	13	49	100-105	130-135

Strategy & Delivery Director Siân Limpenny	85-90	80-85	0-5	-	25	66	110-115	145-150
Commercial Director Steve Addison	90-95	85-90	-	0-5	34	34	120-125	120-125

Notes:

1.The individuals in the above table were executive directors on the Cefas Management Board during the year. Salaries include gross salaries, overtime, and any other allowance to the extent that it is subject to UK taxation. In line with national policy, senior civil servants' contractual performance payments were capped in 2025-26 and 2024-25.

2. Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the

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

3. Opening balances for pension disclosures for members Neil Hornby, Tim Green and Steve Addison as provided by the new pension provider are not consistent with the closing balances reported in the prior year. This is due to the availability in 2025/26 of more up to date data relevant to the calculation of the prior year benefits. The more up to date comparative amount for Neil Hornby pension benefit is £30,000 and for Tim Green pension benefit is £20,000.

Remuneration Median and Ratios (audited)

	2025-26	2024-25
Band of highest paid director total salary and allowances excluding pension benefits and performance pay (£'000)	125-130	115-120
Total percentage change in highest paid director salary and allowances in relation to previous year	9%	4%
Band of highest paid director performance pay	5-10	0-5
Total percentage change in highest paid director average performance related payments in relation to previous year	200%	0%
Total percentage change in average salary and allowances (all staff) in relation to previous year	4%	2%
Total percentage change in average performance related payments (all staff) in relation to previous year	68%	-26%
Median Total Remuneration [1] [2](£)	£48,557	£45,906

Median Salary only [2] (£)	£45,195	£42,954
Ratio of highest paid employee Total Remuneration : Median	2.7	2.7
Ratio of highest paid employee Salary only : Median	2.6	2.6
25th Percentile Total Renumeration [1] [2] (£)	£36,442	£34,672
25th Percentile Salary only [2] (£)	£34,783	£33,590
Ratio of highest paid employee Total Remuneration : 25th Percentile	3.6	3.5
Ratio of highest paid employee Salary only : 25th Percentile	3.4	3.5
75th Percentile Total Renumeration [1] [2] (£)	£57,464	£54,772
75th Percentile Salary [2] only (£)	£56,404	£52,230
Ratio of highest paid employee Total Remuneration : 75th Percentile	2.3	2.2
Ratio of highest paid employee Salary only : 75th Percentile	2.1	2.2

Notes:
1.Total remuneration includes salary, overtime, allowances, non-consolidated performance-related pay and benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.
2. Total remuneration, salary only, relevant ratios and lowest salary are all calculated after reversing statutory maternity pay deductions and reflect base salary.

The total percentage change in average performance related payments in relation to prior year shows a 68% increase which is due the spend in 2024-25 being below the full budget allocation.

In 2025-26, nil (2024-25, nil) employees received remuneration in excess of the highest-paid director. The banded remuneration of the lowest paid employees for the financial year 2025-26 was £20,000 - £25,000 (2024-25 £25,000-£30,000).

The 9% percentage increase in the highest paid director's salary and other allowances compared to 2024-25, includes a temporary allowance paid to Neil Nornby, Chief Executive, for a secondment as Chief Executive to the Rural Payments Agency.

The 200% bonus change figure is due to the guidance to calculate based on the midpoint. This year the midpoint moved up a pay band exaggerating the change. The comparative change is 50%.
There was a 4% compared to 2024-25 increase to the average salaries (including overtime and allowances) which includes the underlying Civil Service remit of 3.75% and a growth in our accrual for leave due to staff. The growth in social security costs reflected the nationally applied increases to national insurance applied from April 2025.

No Board executive directors were in receipt of any benefits in kind (2024–25: Nil); nor did they hold any company directorships or other significant interests that may have conflicted with their management responsibilities. All salary or fee-related payments to Board executive and non-executive directors are made through the PAYE system.

Cefas gender pay comparative is reported alongside the Defra group at Defra gender pay gap report 2025 - GOV.UK (www.gov.uk) (not audited).

Remuneration of Cefas Non-Executive Directors (audited)

Non-Executive Board Directors £’000	Fee band		Performance Pay		Pension Benefits		Total Remuneration	
	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25	2025-26	2024-25
Mark Pendlington (Chair) (from December 2020)	5-10	5-10	-	-	-	-	**5-10**	5-10
Ruth Boumphrey [1] (from June 2021)	-	-	-	-	-	-	**-**	-

Rachel Mills (from June 2021)	5-10	5-10	-	-	-	-	**5-10**	5-10
Melanie Siggs (from April 2025)	5-10	-	-	-	-	-	**5-10**	-
Simon Reeve (from April 2025)	5-10	-	-		-	-	**5-10**	-
Anne Marie Miller [2] (from Oct 2021)	-	-	-	-	-	-	**-**	-
Ian Selby [3] (from May 2018 to July 2024)	-	0-5	-	-	-	1	**-**	0-5

Notes

1.Ruth Boumphrey is a Non-Executive Director on the Cefas Management Board and chooses to receive no fees.

2. Anne Marie Millar does not sit on the CMB but acts as an independent member of ARAC and receives no fees.

3. Full year equivalent salary £5,000 -10,000 for full period 2024-25

Pension Entitlement of Cefas Directors (audited)

Executive Board Directors	Real increase in pension and lump sum at 60 yrs	Total accrued pension and lump sum at 60 yrs [1]	Cash Equivalent Transfer Value [2]	Cash Equivalent Transfer Value [2,3]	Real increase in CETV [2]
£'000	**31 March 2026**	**31 March 2026**	**31 March 2026**	**31 March 2025**	**31 March 2026**
Chief Executive Neil Hornby	5 - 7.5 plus a lump sum of 0 - 2.5	60 - 65 plus a lump sum of 10 - 15	1086	955	73
Chief Operating Officer Tim Green	0 - 2.5	35 - 40	745	698	17

Chief Scientist Grant Stentiford	0 – 2.5 plus a lump sum of 0	30 – 35 plus a lump sum of 65 - 70	611	573	2
Strategy & Delivery Director Siân Limpenny	0 – 2.5 plus a lump sum of 0	30 – 35 plus a lump sum of 70 - 75	690	635	15
Commercial Director Steve Addison	0 – 2.5	25 - 30	474	437	31

Notes

1. Accrued pension benefits included in this table for any individual affected by the Public Service Pensions Remedy have been calculated based on their inclusion in the legacy scheme for the period between 1 April 2015 and 31 March 2022, following the McCloud judgment. The Public Service Pensions Remedy applies to individuals that

were members, or eligible to be members, of a public service pension scheme on 31 March 2012 and were members of a public service pension scheme between 1 April 2015 and 31 March 2022. The basis for the calculation reflects the legal position that impacted members have been rolled back into the relevant legacy scheme for the remedy period and that this will apply unless the member actively exercises their entitlement on retirement to decide instead to receive benefits calculated under the terms of the Alpha scheme for the period from 1 April 2015 to 31 March 2022.

2. CETV: cash equivalent transfer value, figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2026.

3. Opening balances for pension disclosures for members Neil Hornby, Tim Green and Steve Addison as provided by the new pension provider are not consistent with the closing balances reported in the prior year. This is due to the availability in 2025/26 of more up to date data relevant to the calculation of the prior year benefits. The more up to date comparative amount for Tim Green CETV is £685,000 and for Steve Addison CETV is £429,000.

Staff Report

All Cefas' permanently employed staff are public servants. The average number of full-time equivalent employees (FTEs) during the year was:

People Numbers (totals are audited)

Full Time Equivalents (FTEs)	2025-26			2024-25		
	Male	Female	Total	Male	Female	Total
Directors - SCS 2	1	-	**1**	1	-	**1**
Directors - SCS 1	3	1	**4**	4	1	**5**
Other permanently employed staff	303	305	**608**	308	308	**616**
Total FTEs	**307**	**306**	**613**	**313**	**309**	**622**

Staff Costs (audited)

£'000	Permanently Employed People	Temporarily Employed People	Total 2025-26	Total 2024-25
Wages and Salaries	28,190	-	**28,190**	27,087

Social Security Costs	3,808	-	**3,808**	2,975
Superannuation costs	7,501	-	**7,501**	7,239
Total staff expenditure	**39,499**	**-**	**39,499**	**37,301**

The average number of working days lost due to sickness was 4.4 days (2024-25: 4.1 days). Included in the permanently employed people costs for 2025-26 is an accrual for untaken leave and Leave-in-lieu of £3,281,000 (2024-25: £2,936,617).

Consultancy costs of £15,193 were incurred in the year (2024-25 167,000). No temporary people costs were incurred during the year (2024-25 Nil). Turnover (wastage rate) for 2025-26 was 4.3% (compared to 7.7% in 2024-25).

Off-payroll arrangements

Highly paid off-payroll worker engagements as at 31 March 2026, earning £245 per day or more

Table 1:

No. of existing engagements as of 31 March 2026	10
Of which the number that have existed for:	
less than one year at time of reporting	10
between one and two years at time of reporting	-
between two and three years at time of reporting	-
between three and four years at time of reporting	-
four or more years at time of reporting	-

All highly paid off-payroll workers engaged at any point during the year 2025 - 2026, earning £245 per day or more

Table 2:

Number of off-payroll workers engaged during the year 2025 - 2026	14
Of which subject to:	
No off-payroll legislation	9
Off-payroll legislation and determined as in-scope of IR35	5
Off-payroll legislation and determined as out-of-scope of IR35	0
Number of engagements reviewed for compliance during the year	0
Of which the number that saw a change to IR35 status following review	0

Note:

- The £245 threshold is set to approximate the minimum point of the pay scale for a Senior Civil Servant.
- A worker that provides their services through their own limited company or another type of intermediary to the client will be subject to off-payroll legislation and the Department must undertake an assessment to determine whether that worker is in-scope of Intermediaries legislation (IR35) or out-of-scope for tax purposes.

For any off-payroll engagements of board members, and/ or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2026.

Table 3:

Number of off-payroll engagements of board members, and/ or, senior officials with significant financial responsibility, during the financial year.	0
Total number of individuals on payroll and off payroll that have been deemed “board members, and/or senior officials with significant financial responsibility”, during the financial year.	11

Senior Officials with significant financial responsibility are defined as board level executives, non–executive directors and finance directors.

Cefas is a “Disability Confident leader” enabling us to display the disability confident Level 3 symbol in recruitment and employment. This recognises Cefas as a champion for Disability Confident, enabling us to benefit from being able to draw from the widest possible pool of talent and secure, retain and develop disabled colleagues who are skilled, loyal and hard-working. Cefas offer a guaranteed interview to any candidate who has disclosed a disability, as defined under the Equality Act 2010, and meets the minimum (essential eligibility) criteria for the post.

Comprehensive guidance on making reasonable adjustments at work and supporting disabled employees is provided to managers, including supporting and training an employee who becomes disabled during their employment. All other employment policies are adopted where employment law or Civil Service Employment Policy dictate.

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. Before 1 April 2015, the only scheme was the Principal Civil Service Pension Scheme (PCSPS), which provides different offers: Classic, Premium, and Classic plus, which all provide benefits on a final salary basis, whilst Nuvos provides benefits on a career average basis. From 1 April 2015 a new pension scheme for civil servants was introduced, the Civil Servants and Others Pension Scheme or Alpha, which provides benefits on a career average basis. All newly appointed civil servants, and the majority of those already in service, are in alpha.

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

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

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

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

As a result, steps are being taken to remedy those 2015 reforms, making the pension scheme provisions fair to all members. The Public Service Pensions Remedy[1] is made up of two parts. The first part closed the PCSPS on 31 March 2022, with all active members becoming members of Alpha from 1 April 2022. The second part removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022, by moving the membership of eligible members during this period back into the PCSPS on 1 October 2023. This is known as "rollback".
For members who are in scope of the public service pension remedy, the calculation of their benefits for the

[1] www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension

purpose of calculating their Cash Equivalent Transfer Value and their single total
figure of remuneration, as of 31 March 2025 and 31 March 2026, reflects the fact that membership between 1 April 2015 and 31 March 2022 has been rolled back into the PCSPS.

Although members will in due course get an option to decide whether that period should count towards PCSPS or alpha benefits, the figures show the rolled back position i.e., PCSPS benefits for that period.

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

Further details about the Civil Service pension arrangements can be found at the website www.civilservicepensionscheme.org.uk

Cash Equivalent Transfer Values (CETV)

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

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

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

Real increase in CETV

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

Pension Liabilities and Entitlements

Pension liabilities arising from early retirement or other enhancements are accrued in total in the year in which the liability arises. These charges are paid either to the PCSPS, which is responsible for meeting future pension obligations on behalf of Cefas, or to employees' stakeholder-based pension provider.

Reporting of Civil Service and Other Compensation Schemes Exit Packages (audited)

There were no redundancies or other departure costs paid in 2025-26 (2024-25 – nil).

Our People

For the 2025/26 financial year, Cefas achieved an 76% response rate to the annual Civil Service People Survey, conducted in September 2025, representing a slight increase on the previous year's participation. The survey continues to offer valuable insights into people engagement, which Cefas utilises to further strengthen our People Plan direction and engagement strategies. Our overall engagement index decreased slightly to 63% this year, down from 64% in 2024, in line with a similar decrease in Defra from 62% to 60%.

Active employee involvement remains a priority across all operations. During 2025/26, Cefas expanded its programme of listening events, shared directorate and board meetings, and specialist workshops—including new science and innovation roadshows. A Line Management Community has been introduced to provide both formal and informal routes for our new cohort of managers to grow and develop in their roles, supported by their more experienced colleagues.

Cefas continues to recognise the Prospect Trade Union for formal consultation and negotiations, with quarterly meetings held in line with our Facilities Time agreement and Cabinet Office guidelines. In 2025/26, enhanced collaboration was introduced through a new joint working group focusing on supporting our teams delivering the new Science Evidence and Advice Strategy.

Our outreach activities with local schools have flourished, and in July 2025, Cefas launched a full work experience programme at the Lowestoft site for year 12 students, in partnership with the Civil Service Eastern Region scheme. This offer builds on the success of our on-site and outreach events, so we can now provide broader opportunities for young people and support talent development. We plan to expand that still further in 2026, including our Weymouth site in the programme.

In compliance with the Equality Act 2010 and the Public-Sector Equality Duty, Cefas continues to take account of the needs of all individuals across policy development, service delivery, and workforce management. Updated equality information on our workforce was published in early 2026, reflecting ongoing progress and transparency.

Work on our Strategic Workforce Plan continues, with structural realignments completed across the Science Directorates. The focus in 2025/26 has shifted to organisation-wide learning and development, line manager upskilling, and succession planning activities. These initiatives aim to further strengthen our people strategy and ensure Cefas remains a great place to work.

We have begun implementing our refreshed Equity, Diversity and Inclusion Strategic Plan for 2025-27, concentrating on four areas: Leadership that Inspires, A Culture of Inclusion, Harnessing Diverse and Inclusive Talent, and External Impact. Notable progress has already been made, with our Reciprocal Mentoring programme and Inclusive Recruitment training launched in 2025.

Leading in Health and Safety

Health and safety remains a core priority for Cefas and is integral to the way we protect our people, deliver high-quality science and manage risk across complex and often challenging operating environments.

Systems, assurance and continuous improvement

During the year, Cefas successfully maintained certification to the ISO 45001 Occupational Health and Safety standard following a comprehensive external recertification audit. The outcome confirmed the continued effectiveness and maturity of our health and safety management system, including strong leadership commitment, clear governance and consistently high levels of colleague engagement across sites and operational activities.

To further strengthen assurance and usability, Cefas has continued to invest in the development and rollout of a new integrated health, safety, environment and quality (HSEQ) management software platform. This investment supports improved document control, training oversight, occupational health management and wellbeing processes, enhancing visibility of risk and enabling more timely and informed decision-making across the organisation.

Leadership and culture
Building on the completion of a multi-year health and safety culture improvement programme, the focus this year has been on embedding culture-led behaviours into routine ways of working. Health and safety is increasingly understood not solely as a set of procedures, but as a reflection of how decisions are made, how risks are balanced and how people behave, particularly in complex or pressured situations.

Senior leaders continue to demonstrate visible commitment by prioritising health and safety in strategic decisions, resourcing improvement activity and leading meaningful health and safety conversations. This approach reinforces shared ownership and supports colleagues at all levels to take responsibility for managing risk effectively in their day-to-day work.

"In Our Hands" – shared responsibility in practice
The "In Our Hands" principles remain central to Cefas' approach to health and safety. They emphasise that everyone, regardless of role or seniority, has a direct influence on safety outcomes through planning, judgement, communication and behaviour.

Over the past year, these principles have been reinforced through leadership messaging and learning activity, encouraging colleagues to plan work early, recognise human factors such as fatigue and cognitive load, speak up when something does not feel right, and understand their duty of care to themselves, their colleagues and those affected by our work. This continues to support a culture where challenge is welcomed and learning is shared openly.

Developing safety leadership capability

A key development during the year was the introduction of immersive health and safety leadership training, delivered through a specialist external facility. This programme represents a deliberate shift towards experiential learning, enabling participants to explore realistic scenarios, reflect on decision-making under pressure and understand the human and organisational consequences of unsafe choices.

The training is designed to strengthen leadership capability at all levels by building confidence to challenge unsafe acts, lead difficult conversations and apply the “In Our Hands” principles in real operational contexts. It also reflects Cefas’ commitment to investing in innovative approaches that keep health and safety learning relevant, engaging and impactful as our work and risks continue to evolve.

ABOVE: Cefas delegates on the immersive H&S training

Mental health and wellbeing

Cefas recognises that good health and safety outcomes are closely linked to mental health and wellbeing. Over the year, continued emphasis has been placed on managing workload pressures, supporting occupational health processes and embedding wellbeing considerations within our health and safety management system. The implementation of the new HSEQ platform further strengthens our ability to monitor, support and assure wellbeing-related activity alongside traditional safety controls.

Wellbeing considerations are also reflected in leadership development activity, including immersive training, which explicitly addresses human factors, stress, pressure and their impact on judgement and behaviour. This supports a more holistic approach to protecting colleagues and sustaining safe performance over the long term.

Incidents, learning and partnership working

Incident and near-miss reporting remain active, providing valuable insight into emerging risks and supporting early intervention. While overall injury levels remain low and minor in nature, despite a spike in Q4, targeted action has been taken where trends have been identified, ensuring that lessons are learned and improvements implemented consistently across the organisation. Strategic performance aims were achieved with Total Recordable Case Frequency (TRCF) of 0.94 (Targets <3.0) and a Proactive reporting/ TRCF ratio 67:1 (Target >20:1).

Cefas continues to work closely with key partners, including vessel management and estates providers, to maintain a strong, shared approach to health and safety. This has been particularly important during periods of operational transition, with all parties committed to stabilising new arrangements and maintaining effective assurance and oversight.

Looking ahead

Cefas remains committed to continuous improvement in health, safety and wellbeing. Through strong leadership, trusted systems, investment in capability and a clear focus on shared responsibility, we will continue to place the safety and wellbeing of our people at the centre of how we deliver our work.

Parliamentary Accountability and Audit Report

The information in this section has been audited:

Regularity of Expenditure - Cefas has considered all its activities during the year and confirm they are in accordance with the legislation authorising them.

Cefas incurred no losses, special payments or gifts totalling more than £300,000 in the year.

In addition to the contingent liabilities reported within IAS 37 (see note 11), the agency also reports liabilities for which the likelihood of a transfer or economic benefit in settlement is too remote to meet the definition of contingent liability. There were no remote contingent liabilities.

The information in this section has not been audited:

Long term expenditure trends - refer to the performance analysis section of our Performance Report for details of our performance to date.

"Cefas'' approach to functional standards and their application are set out on page 138.

NEIL HORNBY

Chief Executive Officer

7th July 2026

This signature covers the Accountability Report

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

Opinion on financial statements

I certify that I have audited the financial statements of the Centre for Environment, Fisheries and Aquaculture Science for the year ended 31 March 2026 under the Government Resources and Accounts Act 2000.

The financial statements comprise the Centre for Environment, Fisheries and Aquaculture Science's

- Statement of Financial Position as at 31 March 2026;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of the Centre for Environment, Fisheries and Aquaculture Science's affairs as at 31 March 2026 and its net expenditure for the year then ended; and

- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on regularity

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

Basis for opinions

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

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

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

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Centre for Environment, Fisheries and Aquaculture Science’s use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

The going concern basis of accounting for the Centre for Environment, Fisheries and Aquaculture Science is adopted in consideration of the requirements set out in HM Treasury’s Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information

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

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

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

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

I have nothing to report in this regard.

Opinion on other matters

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

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

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Centre for Environment, Fisheries and Aquaculture Science and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

- adequate accounting records have not been kept by the Centre for Environment, Fisheries and Aquaculture Science or returns adequate for my audit have not been received from branches not visited by my staff; or

- I have not received all of the information and explanations I require for my audit; or
- the financial statements and the parts of the Accountability Report subject to audit are not in agreement with the accounting records and returns; or
- certain disclosures of remuneration specified by HM Treasury's Government Financial Reporting Manual have not been made or parts of the Remuneration and Staff Report to be audited is not in agreement with the accounting records and returns; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Responsibilities of the Accounting Officer for the financial statements

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

- maintaining proper accounting records;
- providing the Comptroller and Auditor General (C&AG) with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within the Centre for Environment, Fisheries

and Aquaculture Science's from whom the auditor determines it necessary to obtain audit evidence;

- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing the Centre for Environment, Fisheries and Aquaculture Science’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by the Centre for Environment, Fisheries and Aquaculture Science will not continue to be provided in the future.

Auditor’s responsibilities for the audit of the financial statements

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

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

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

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations[2], including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

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

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

- considered the nature of the sector, control environment and operational performance, including the design of the Centre for Environment, Fisheries and Aquaculture Science's accounting policies, key performance indicators and performance incentives.
- inquired of management, the Centre for Environment, Fisheries and Aquaculture Science's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Centre for Environment, Fisheries and Aquaculture Science's policies and procedures on:
    - identifying, evaluating and complying with laws and regulations;
    - detecting and responding to the risks of fraud; and
    - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including the Centre for Environment, Fisheries and Aquaculture Science's controls relating to the Centre for Environment, Fisheries and Aquaculture Science's compliance with the Government Resources and Accounts Act 2000 and Managing Public Money.
- inquired of management, the Centre for Environment, Fisheries and Aquaculture Science's head of internal audit and those charged with governance whether:

    - they were aware of any instances of non-compliance with laws and regulations;
    - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

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

I obtained an understanding of the Centre for Environment, Fisheries and Aquaculture Science's framework of authority and other legal and regulatory frameworks in which the Centre for Environment, Fisheries and Aquaculture Science operates. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of the Centre for Environment, Fisheries and Aquaculture Science. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, Supply and Appropriation (Main Estimates) Act 2025, employment law, pensions legislation and tax legislation.

Audit response to identified risk

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

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

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

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

Other auditor's responsibilities

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

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

Report

I have no observations to make on these financial statements.

Gareth Davies

Gareth Davies **9 July 2026**

Comptroller and Auditor General

National Audit Office

157-197 Buckingham Palace Road

Victoria

London

SW1W 9SP

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Financial Statements

Financial Statements
Statement of Comprehensive Net Expenditure
For the Year Ending 31st March 2026

	Note	2025-26	2024-25
		£000	**£000**
Operating income from contracts with customers		(23,492)	(22,229)
Other operating income		(1,527)	(2,078)
Total operating income	3	**(25,019)**	**(24,307)**
Staff Costs		39,499	37,301
Other Costs		32,163	35,363
Non-cash items		8,218	7,457
Total operating expenditure	2	**79,880**	**80,121**
Net operating expenditure		**54,861**	**55,814**

Non-operating Activities			
Finance Expense	2	**17**	**26**
Net expenditure		**54,878**	**55,840**
Other comprehensive expenditure			
Items that will not be reclassified to net operating costs			
Net (gain)/loss on:			
Revaluation of Property, plant and equipment	4	(600)	(1,004)
Total comprehensive net expenditure for the year		**54,278**	**54,836**

All income and expenditure relate to continuing operations.

The Notes on pages 208 - 257 form part of these accounts.

Statement of Financial Position
As at 31st March 2026

	Note	**31st March 2026 £000**	31st March 2025 £000
Non-current assets			
Property, plant and equipment	4	36,239	37,272
Right-of-Use Assets (IFRS 16)	5	227	377
Investments	6	150	150
Total non-current assets		**36,616**	**37,799**
Current assets			
Trade, other receivables and contract assets	8	8,767	6,370
Cash and cash equivalents	9	3,175	3,555
Total current assets		**11,942**	**9,925**
Total assets		**48,558**	**47,724**

Current liabilities			
Trade, other payables and contract liabilities	10	(13,469)	(10,979)
Lease Liability	13	(145)	(67)
Total current liabilities		**(13,614)**	**(11,046)**
Non-current assets plus/ less net current assets/ liabilities		**34,944**	**36,678**
Non-current liabilities			
Provisions	11	(143)	(151)
Lease Liability	13	-	(231)
Total non-current liabilities		**(143)**	**(382)**
Assets less liabilities		**34,801**	**36,296**

Taxpayers' equity and other reserves			
General fund	SCTE	25,818	27,794
Revaluation reserve	SCTE	8,983	8,502
Total Equity		**34,801**	**36,296**

NEIL HORNBY
Chief Executive Officer
7th July 2026

The Notes on pages 208 - 257 form part of these accounts

Statement of Cash Flows
For the Year Ended 31st March 2026

	2025-26	2024-25
	£000	**£000**
Cash flows from operating activities		
Net operating expenditure	(54,861)	(55,814)
Adjustments for non-cash transactions	8,218	7,457
(Increase)/ Decrease in trade and other receivables	(2,397)	1,133
Increase/ (Decrease) in trade payables	2,490	1,918
Less movements in payables relating to items not passing through the Operating cost statement	(510)	62
Lease Interest	(17)	(26)
Use of provisions	-	(60)
Net cash outflow from operating activities	**(47,077)**	**(45,330)**

Cash flows from investing activities		
Purchase of property, plant and equipment	(700)	(616)
Proceeds of disposal of property, plant and equipment	-	175
Net cash outflow from investing activities	**(700)**	**(441)**
Cash flows from financing activities		
Payment of Lease liabilities	(153)	(258)
Agency funding	47,550	45,420
Net financing	**47,397**	**45,162**
Net increase/ (decrease) in cash	(380)	(609)
Cash and cash equivalents at the beginning of the year	3,555	4,164
Cash and cash equivalents at the end of the year	**3,175**	**3,555**

The Notes on pages 208 - 257 form part of these accounts

Statement of Changes in Taxpayers' Equity
For the Year Ending 31st March 2026

		General Fund	Revaluation Reserve	Total Reserves
		£000	**£000**	**£000**
Balance at 31 March 2024		**33,598**	**7,608**	**41,206**
Funding received		45,420	-	45,420
Net Operating Costs for the year	SoCNE	(55,840)	-	(55,840)
Non-cash adjustments				
Non-cash charges:				
- auditors' remuneration	2	112	-	112
- Defra notional & estates charges	2	4,394	-	4,394
Movements in reserves				

Recognised in Other Comprehensive Expenditure:				
Other revaluation of property, plant and equipment	4	-	1,004	1,004
Transfers between reserves		110	(110)	-
Balance at 31 March 2025		**27,794**	**8,502**	**36,296**
Funding received		47,550	-	47,550
Net Operating Costs for the year	SoCNE	(54,878)	-	(54,878)
Non-cash adjustments				
Non-cash charges:				
- auditors' remuneration	2	120	-	120

- Defra notional & estates charges	2	5,113	-	5,113
Movement in reserves				
Recognised in Other Comprehensive Expenditure:				
Other revaluation of property, plant and equipment	4	-	600	600
Transfers between reserves		119	(119)	-
Balance at 31 March 2026		**25,818**	**8,983**	**34,801**

The Notes on pages 208 - 257 form part of these accounts.

1.1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2025–26 Government Financial Reporting Manual (FReM) issued by HM Treasury under the Government Resources and Accounts Act 2000. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRSs) as adapted or interpreted for the public-sector context. Where the FReM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the circumstances of Cefas for the purpose of giving a true and fair view has been selected. The policies adopted by Cefas are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.2 Accounting Convention

These financial statements have been prepared on the accrual’s basis under the historical cost convention, modified, where material, to account for the revaluation of property, plant and equipment. The accruals basis of accounting means reporting income and expenditure when it is incurred rather than when it is received or paid.

Going Concern: Management have prepared a going concern assessment, which includes consideration of a business forecast for the going concern and anticipates that services provided by Cefas will continue. This considers the reliance on available support and funding from Defra and considers reasonably plausible downside sensitivities related to income risk on our business activities. There are no changes to the nature and responsibilities of Cefas. From this assessment, management has concluded that it is appropriate to prepare these accounts on a going concern basis applying IAS1 as interpreted under the FReM.

1.3 Key Judgements and Estimation Uncertainty

In the preparation of financial statements, Cefas is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities, and the reported amount of income and expenditure.

All estimates are based on knowledge of current facts and circumstances, assumptions concerning past events, and forecasts of future events.

The following areas represent significant judgments and estimates that Cefas has made in applying the accounting policies:

- Research Vessel valuation, Cefas has adopted FreM 10.1.3 which allows where an index is not available the entity shall revalue the asset using a quinquennial revaluation supplemented by a desktop valuation in year 3. Management adopted this accounting policy for the Research Vessel due to lack of a market for equivalent or directly comparable assets.

- Accrued and deferred income, and contract assets/ liabilities within Trade Payables and Receivables, where it is expected that income from operations will break-even over a reasonable period of time (reported in notes 8 and 10).
- Judgements are used to assess the expected timing for the satisfaction of performance obligations, and determination of transaction prices per IFRS 15 (reported in note 1.7)

Sensitivity Analysis

Property valuation is sensitive to changes in underlying assumptions. Key sensitivities are: a change in build and labour costs, where +/- 1% change could lead to an approximate +/- £250k change in the value of land and buildings; and judgement on Useful Economic Life, where a difference in management determined valuation lives could lead to an approximate +/- £250k change in annual depreciation charge, but does not affect valuations.

Research Vessel valuation is sensitive to changes in underlying assumptions. Key sensitivities are: a change in market values , where +/- 1% change could lead to an approximate +/- £40k change in the value of the Research Vessel; and judgement on Useful Economic Life, where difference in management and valuation lives could lead to an approximate +/- £40k change in in-year depreciation charge but do not effect valuation.

1.4 Property, Plant and Equipment
Recognition and Valuation

Non-Investment asset Valuations
Changes to the valuation and accounting of non-investment assets have been implemented in the 2025-26 FreM. This withdraws the requirement to revalue an asset where its fair value materially differs from its carrying value. Assets are now valued using one of the following processes:

- A quinquennial revaluation supplemented by annual indexation.
- A rolling programme of valuations over a five-year cycle, within annual indexation applied to assets during the four intervening years.
- For non-property assets only: application of appropriate indices.

- In rare circumstances where an index is not available, a quinquennial revaluation supplemented by a desktop revaluation in year three.

Freehold land was not revalued on the basis of materiality.

Management have chosen to follow bullet one quinquennial followed by annual indexation for buildings and bullet four for the Research Vessel (note 1.3).

Changes to the valuation of non-investment assets will be applied prospectively, with no restatement of prior year figures.

Land and Buildings

Due to the specialised nature of the laboratory premises used by Cefas, freehold land and buildings at Lowestoft and Weymouth are stated at their depreciated replacement cost and are professionally revalued at least every five years, in accordance with guidance issued by the Royal Institute of Chartered Surveyors. The most recent quinquennial full valuation was at 31 March 2025. The valuation was performed and signed off by Gary Howes, BSc MRICS, partner at Montagu Evans

Management have reviewed the output of the valuation to confirm the accuracy of the inputs used and challenged any relevant assumptions to gain comfort that the valuations are appropriate.

Vessel
An external valuation was conducted in 2024-25 when a market review, age adjusted valuation and condition survey were conducted by Houlder, marine design and engineering consultants. The valuation was based upon carrying out a fleet review of vessels with their principal characteristics similar in nature to the RV Endeavour, owned and operated in Northern Europe and the survey confirmed the vessel is in fair condition for its age. The residual value was estimated by Houlder as part of their 2024-25 market review assuming the steel structure of the vessel will be recycled and some scientific equipment sold on the second hand market. Management revisits the residual value and the remaining useful life on an annual basis to ensure annual depreciation is reasonable.

Management reviewed the desktop evaluation, condition survey and reassessed the valuation assumptions around comparable vessels sale values and future income and expenditure relatable to the vessel and believes the valuation assumptions relevant as at 31 March 2025 continue to be appropriate at 31 March 2026.

Non-property assets

Non-property Plant and Machinery assets have been stated at ‘current value in existing use’ using appropriate indices provided by the Office of National Statistics, where material.

The following table provides information as to the measurement basis of our PPE asset groups:

Asset Type	Measurement Basis: Current Value in Existing Use
Buildings	Depreciated replacement cost
Vessel	Existing use value
Information Technology	Existing use value
Plant and Machinery (inc Scientific Equipment)	Existing use value

The minimum level of capitalisation in Cefas is £10,000. Subsequent expenditure is capitalised if the criteria for initial capitalisation are met, if it is probable that economic benefits will flow to Cefas, and that the cost of the expenditure can be reliably measured.

Depreciation

Depreciation is provided at rates calculated to write off the valuation of freehold buildings and other items of property, plant and equipment on a straight-line basis over the estimated useful life of the asset and is charged in the month of purchase but not in the month of disposal. Depreciation is not charged on freehold land and assets under construction.

Assets are depreciated over the following timescales:

Asset Type	Useful Economic Life
Buildings	25-60 years
Vessel	30 years
Information Technology	3-6 years
Plant and Machinery (inc Scientific Equipment)	3-30 years

Where Cefas purchases a capital item specifically to fulfil a customer contract, and the asset is not expected to have operational life beyond servicing that contract, the useful economic life is determined by the length of the contract.

The Useful Economic Life for assets is assessed and set by management and determines the depreciation charge, this can vary from the Useful Economic Life as applied in the asset valuation process by external valuers.

Impairment

Impairments are recognised when the recoverable amount of non-current assets falls below their carrying amount. A review is carried out on an annual basis for any indicators of impairment.

Any permanent diminution in the value of an asset, due to clear consumption of economic benefit or service potential, is recognised in full as an impairment loss in the SoCNE. An amount up to the value of the impairment is transferred from the Revaluation Reserve (to the extent that a balance exists) to the General Fund for the individual asset concerned.

Downward revaluations, resulting from changes in market value, only result in impairment where the asset is revalued below its historical cost carrying amount. In these cases, the accounting treatment is as for any other impairments, with amounts being firstly set against any accumulated balance in the revaluation reserve, and any amount in addition to this being recognised in the SoCNE.

Assets Under Construction

Assets under construction are shown at accumulated cost with depreciation commencing only when the asset is completed and brought into service.

1.5 Investments

Investments are reported at market value or at cost where market value cannot be readily ascertained. In accordance with the FReM, the non-current asset investment in Cefas Technologies Limited (CTL) has not been consolidated, as it is not listed within the Department boundary issued by the Office of National Statistics. As it is a private limited company with no active market for its shares or observable inputs on which to base a reliable fair value, CTL is recognised at cost. Applying the principles of IFRS 9, Financial Instruments, reclassification is required only where there has been a change to the business model for the financial asset. There has been no change in the business model for CTL in year which have impacted the valuation approach. The valuation is reviewed on a regular basis and provision made for any impairment in value.

Disclosure of the net assets and results of the investment are reported in Note 6.

1.6 Research and development

Expenditure on R&D is treated as an operating cost in the year in which it is incurred and taken to the statement of comprehensive net income. Assets acquired for use in R&D are depreciated over their useful economic life.

1.7 Operating Income

Operating income is shown net of value-added tax (VAT) and comprises contractually entitled income for services provided to other government bodies and wider-market bodies and is recognised over the term of the individual contract, in line with work delivered.

Cefas recognises revenue from contracts with customers in accordance with IFRS 15 Revenue from contracts with customers. Income is recognised progressively as the performance obligations associated with these engagements are satisfied over time.

All of Cefas' work is managed as projects. Each project, or group of projects for the same customer, has a signed customer contract. Three main types of contract are identified:

- Fixed Price
- Time and Materials
- Call-off Agreements

When a contract contains a termination clause which allows Cefas to be paid for all of the work delivered and costs incurred should the contract be terminated, revenue will be recognised based on the amount of staff time and direct costs which have been incurred on each project within the year.

Where a contract does not contain a termination clause, revenue is recognised for the performance obligations which have been achieved in year in the Statement of Comprehensive Net Expenditure. For both ‘Fixed Price’ and ‘Time and Materials’ contracts this would include planning, fieldwork and reporting and revenue will be recognised at the contracted value for each phase, which is primarily based upon costs to deliver each phase. Customer call-off agreements exist with a pre-defined set of terms and conditions and no specific deliverables. Individual service level agreements will be set up when the customer requests for work, which is carried out on a ‘Time and Materials’ basis.

No warranties or refunds are provided. A different pattern of invoicing may also take place to the performance obligations resulting in either a contract asset or contract liability. This is based upon a contractual invoice plan, determined at the beginning of the project, and any differences from this to the subsequent project expenditure is aligned to appropriately recognise only income delivered. Any contract asset and contract liability is recognised within the Statement of Financial Position:

> Contract asset – the difference between the amount invoiced to the customer and the latest milestone achieved. An accompanying receivable will be recognised if they customer has yet to pay the invoice. This balance will also include recognition of a receivable for costs which have been incurred to support milestones that have not yet been fully achieved. Any impairment relating to this balance will be measured, presented and disclosed in relation to IFRS 9.
>
> Contract liability – the difference between the invoiced income and the latest achieved contracted milestone. An accompanying receivable will be recognised if they customer has yet to pay the invoice.

Gross Agency Accounting

As a Gross Accounting Agency, activity for Defra is not invoiced or reported as income, but an authority to spend is delegated to the agency along with delivery objectives. These are objectives detailed within Service Level Agreements and performance is tracked by Defra Policy colleagues.

1.8 Revenue Grants

Government grant income is recognised when there is reasonable assurance that the entity will comply with any conditions attached to the grant and the grant will be received.

The grant is recognised as income over the period necessary to match it with the related costs, for which the grant is intended to compensate. On the Statement of Financial Position, the balance of deferred income on grants, where income has been received prior to contracts being fully complete, is held within Current liabilities and the balance of accrued income, is also calculated from contracts where work has been completed in advance of income being received, is held within Current assets. This process is also applied to EU income.

1.9 Investment Income

CTL Dividend

Under IFRS 9, any dividend payable from CTL to Cefas is recognised when the shareholders' right to receive the payment is established. No dividend was declared in 2025-26 (2024-25: no dividend declared).

1.10 Financial Instruments

Financial Assets

These comprise of receivables that are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are initially recognised at fair value and subsequently held at amortised cost after an appropriate provision for expected credit loss.

Financial Liabilities

These comprise trade and other payables, and other financial liabilities. They are initially recognised at the fair value of consideration received, less directly attributable transaction costs. They are subsequently measured at amortised cost.

1.11 Employee Benefits

Pensions

Past and present employees are covered by the provisions of the civil service pension arrangements, which are defined benefit schemes open to participating public sector bodies in which the benefit the employee receives during retirement is dependent on factors such as age, length of service and salary. These schemes are administered by Capita, following transition from MyCSP during the year, on behalf of the Cabinet Office. Cefas pays contributions into these schemes at an agreed rate. As one of many participating organisations, Cefas is not able to identify its share of any liability for making future pension payments to members and accordingly, the Cefas accounts for this as if it were a defined contribution scheme and recognises the costs of these contributions when they fall due.

Employees may opt to join a personal stakeholder pension scheme instead. These are defined contribution schemes where Cefas pays established contribution rates into a separate fund. The amount of pension benefit that a member receives in retirement is dependent on the performance of the fund. Cefas recognises the cost of these contributions in the Statement of Comprehensive Net Expenditure when they fall due. There is no further payment obligation for Cefas once the contributions have been paid.

Other employee benefits

Cefas recognises a liability and expense for all other employee benefits, including unused annual leave, accrued at the reporting date, provided these amounts are material in the context of the overall staff costs.

Early retirement costs

Cefas is required to meet the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early. Cefas provides in full for this cost when the early-retirement programme has been announced and is binding on the agency. Cefas may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Vote. The amount provided is shown net of any such payments.

Termination benefits are recognised as a liability when Cefas has a binding commitment to terminate the employment of an employee or group of employees before the normal retirement date, or as a result of an offer to encourage voluntary redundancy.

1.12 Provisions

Cefas provides for obligations arising from past events where there is a present obligation at the date of the Statement of Financial Position, if it is probable that Cefas will be required to settle the obligation and a reliable estimate can be made, in line with the requirements of IAS 37 (reported in note 11).

1.13 Leases

IFRS 16 requires an entity to recognise an asset in the Statement of Financial Position relating to contracts which are, or contain, a lease of an identified asset, such as property, vehicles or equipment. A corresponding lease liability is recognised at the same time, measured using the present value of the lease payments not yet paid.

Charges for the depreciation of Right of Use assets and interest on lease liabilities do not form part of the initial measurement of Right of Use assets and are included in the SoCNE in place of rental expenses continue to reflect irrecoverable VAT where applicable on any leases.

This treatment has been applied to all leases except short-term leases (less than 12 months), or in some cases where the underlying asset is of low value, and Cefas has chosen to account for them as expenditure on a straight-line basis in the SoCNE for the duration of the lease term.

Subsequent measurement of Right of Use assets is at fair value or current value in existing use where assets are held for their service potential unless cost represents a reasonable proxy. For land and buildings, valuations will be determined by appropriately qualified professionals in accordance with RICS Guidance.

1.14 Taxation

Corporation Tax

No corporation tax is payable by Cefas as it is an Executive Agency of a Government department (Defra)..

Value-added tax (VAT)

Where Cefas' activities are outside the scope of VAT and output tax does not apply, input tax on purchases is not recoverable. An element of recovery of input tax does take place under the contracted-out services provisions applicable to government departments and through a 'business/non-business' apportionment agreed with His Majesty's Revenue and Customs.

Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged, or input tax is recoverable, the amounts are stated net of VAT.

1.15 Contingent Liabilities

Where the time-value of money is material, contingent liabilities and contingent assets, which are required to be disclosed under IAS 37, are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities and contingent assets that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

1.16 Notional Costs

Notional costs are recharges from Defra charged against the SoCNE by virtue of an interdepartmental adjustment via the General Fund. Costs incurred (HR, legal and property) from shared services are made by cash transfer in accordance with other supplier invoices.

1.17 Insurance

Cefas, in common with other government bodies, does not insure the majority of its assets with the exception of the Cefas Endeavour. Losses and compensations are charged to the SoCNE.

1.18 Foreign Exchange

Transactions denominated in a foreign currency are translated into sterling at the average exchange rate set for the year or, where more appropriate, a rate agreed for a specific project. Balances held in foreign currencies are translated at the rate of exchange ruling at the date of the Statement of Financial Position (reported in note 2).

1.19 Reserves

General Fund

The General Fund is the account which summarises the revenue costs of providing services within the year and funding received to support delivery of services in year.

Revaluation Reserve

The Revaluation Reserve is the account which records the net surpluses created when assets are revalued. When an asset is disposed of, any balance on the revaluation reserve relating to the asset is transferred to the general fund.

1.20 Impending application of newly issued accounting standards not yet effective

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for reporting periods beginning on or after the 1 January 2027 in the private sector. The public sector implementation date is not yet confirmed. The impact of IFRS 18 on the public sector is still being assessed.

Note 2: Operating Expenditure

	2025-26	2024-25
	£000	**£000**
Staff Costs		
Wages and Salaries	28,190	27,087
Social Security Costs	3,808	2,975
Other Pension Costs	7,501	7,239
Total	**39,499**	**37,301**
Other Costs		
Travel, subsistence and hospitality	2,546	2,672
Consumables	4,687	5,292
Vessels	7,617	6,795
IT service costs	4,180	3,936
Technical services	7,167	9,927
Estate management	170	(349)
Hired and contracted services	3,720	4,943
Training	673	718
Publicity, marketing & promotion	57	87
Office services	1,075	912
Exchange rate (gains)/ losses - Realised	(15)	6
Internal audit fees	77	84

Fees & commissions	22	20
Credit Losses	-	(1)
Other	187	321
Total	**32,163**	**35,363**
Non-cash items		
Depreciation	2,669	2,629
Depreciation on Right of Use assets	150	137
(Profit) on the disposal of Property, Plant & Equipment	-	(176)
Loss on the disposal of Property, Plant & Equipment	174	375
NAO Auditors' remuneration	120	112
Provisions provided for in year/ (written back)	(8)	(14)
Defra notional charges	5,113	4,169
Defra estates charges	-	225
Total	**8,218**	**7,457**
Total Operating Expenditure	**79,880**	**80,121**
Non-operating Expenditure		
Lease Interest	17	26

Total Finance Expense	**17**	**26**
Total Expenditure	**79,897**	**80,147**

Defra notional charges are for facilities management £4,748,000 (2024-25 £3,861,000) and Defra management overheads £365,000 (2024-25 £308,000).

For more detailed disclosures regarding staff costs, see the Remuneration Report.

Note 3: Income Analysis

	2025-26	2024-25
	£000	**£000**
Operating Income		
Defra (competed income)	969	1,108
Defra Group Bodies	4,290	4,862
Public Sector	10,789	9,117
European Union	1,331	925
Industry and other	7,640	8,296
Total operating income	**25,019**	**24,308**

There are no external customers that amount to more than 10% of our annual funding.

Funding from Defra in relation to our core activities is recognised in the Statement of Change in Taxpayers' Equity/Movement in Reserves.

Note 4: Property, Plant and Equipment

	Land	Buildings excluding Dwellings	Plant & Machinery	Vessel	Assets under Construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April Current 2025	884	37,696	11,985	24,290	81	**74,936**
Additions	-	-	-	-	1,210	**1,210**
Transfers	-	-	652	-	(652)	**-**
Disposals	-	-	(405)	-	-	**(405)**
Revaluation	-	530	70	-	-	**600**

At 31 March 2026	**884**	**38,226**	**12,302**	**24,290**	**639**	**76,341**
Depreciation						
At 1 April 2025	-	12,500	5,377	19,787	-	**37,664**
Charges in year	-	1,068	1,169	432	-	**2,669**
Disposals	-	-	(231)	-	-	**(231)**
At 31 March 2026	**-**	**13,568**	**6,315**	**20,219**	**-**	**40,102**
Net book value 31 March 2026	**884**	**24,658**	**5,987**	**4,071**	**639**	**36,239**

Net book value 31 March 2025	**884**	**25,196**	**6,608**	**4,503**	**81**	**37,272**
Assets financing						
Owned	884	24,658	5,987	4,071	639	36,239
Net book value 31 March 2026	**884**	**24,658**	**5,987**	**4,071**	**639**	**36,239**

Notes: Management have adopted an index during the year to estimate the indexation for buildings (see note 1.3)

Note 4: Property, Plant and Equipment cont'd

	Land	Buildings excluding Dwellings	Plant & Machinery	Vessel	Assets under Construction	Total
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Cost or valuation						
At 1 April 2024	884	37,249	11,153	24,279	233	**73,798**
Additions	-	-	-	-	554	**554**
Transfers	-	-	695	11	(706)	**-**
Disposals	-	-	(773)	-	-	**(773)**
Revaluation	-	447	910	-	-	**1,357**

At 31 March 2025	**884**	**37,696**	**11,985**	**24,290**	**81**	**74,936**
Depreciation						
At 1 April Prior 2024	-	11,429	4,296	19,356	-	**35,081**
Charges in year	-	1,071	1,127	431	-	**2,629**
Disposals	-	-	(399)	-	-	**(399)**
Revaluation	-	-	353	-	-	**353**
At 31 March 2025	**-**	**12,500**	**5,377**	**19,787**	**-**	**37,664**
Net book value 31 March 2025	**884**	**25,196**	**6,608**	**4,503**	**81**	**- 37,272**

Net book value 31 March 2024	**884**	**25,820**	**6,857**	**4,923**	233	38,71 7
						-
Assets financing						
						-
Owned	884	25,196	6,608	4,503	81	37,27 2
Net book value 31 March 2025	**884**	**25,196**	**6,608**	**4,503**	**81**	**37,27 2**

Note 5: Right of Use Assets

	Plant & Machinery	Vehicles	Total
	£000	**£000**	**£000**
Cost or valuation			
At 1 April 2025	33	483	516
At 31 March 2026	**33**	**483**	**516**
Depreciation			
At 1 April 2025	18	121	139
Charges in year	13	137	150
At 31 March 2026	**31**	**258**	**289**
Carrying amount 31 March 2026	**2**	**225**	**227**
carrying amount 31 March 2025	**15**	**362**	**377**

	Plant & Machinery	Vehicles	Total
	£000	**£000**	**£000**
Cost or valuation			
At 1 April 2024	33	331	364

Additions	-	195	195
Disposals	-	(43)	(43)
At 31 March 2025	**33**	**483**	**516**

Depreciation

At 1 April 2024	1	44	45
Charges in year	17	120	137
Disposals	-	(43)	(43)
At 31 March 2025	**18**	**121**	**139**
Carrying amount 31 March 2025	**15**	**362**	**377**
Carrying amount 31 March 2024	**32**	**287**	**319**

Land and Buildings for occupation across the Defra group are managed by Defra group Property. Where there is a formal sub-lease between entities, these sub leases will be assessed and treated accordingly as finance or operating sub leases. The majority of occupation across the Defra group is not a formal sub lease arrangement and therefore the right-of-use assets for the Defra estate are reflected in the accounts of the core department. Operational expenditure included within the Defra notional charges, in Note 2, is £109,000 (2024-25: £86,000) which covers Cefas's occupancy.

Note 6: Non-Current Assets Investments

In 2001, Cefas purchased the entire share capital of Cefas Technology Limited (CTL) for £150,000. During 2022-23 the trading activities of CTL were assumed by Cefas. CTL is currently operationally inactive but holds net assets against any residual liabilities which are in excess of the investment holding valuation.

In accordance with the Government Financial Reporting Manual, the non-current asset investment has not been consolidated as it is outside the departmental boundary.

Cefas' share of the net assets and results of the above investment are as follows where 2025-26: results are unaudited, and 2024-25 numbers have been updated from the 2024-25 Annual Report and Accounts to reflect audited numbers: The company’s auditors are Lovewell Blake LLP.

	2025-26	2024-25
	£000	**£000**
Cash and cash equivalents	**205**	**216**
Liabilities	(6)	(13)

New assets at 31 March 2026	**199**	**203**
Turnover	-	-
Profit/(Loss) before tax for the year	(4)	(5)

Note 7 Financial Instruments

IFRS requires disclosures in the financial statements that enable users to evaluate the significance of financial instruments to the financial position and performance, and the nature and extent of risks arising from financial instruments to which Cefas is exposed during the year and at the financial year end, and how those risks are being managed.

As the cash requirements of Cefas are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with Cefas's expected purchase and usage requirements and is therefore exposed to little credit, liquidity or market risk. Accordingly no disclosure is required.

a. Credit risk - the majority of receivables are with UK government departments and public sector bodies, reducing exposure to default. Expected credit losses are assessed at each reporting date; historically, losses have been immaterial.

b. Liquidity risk - is low as Cefas is financed primarily through Defra funding.

c. Market risk - Any foreign currency exposure risk is limited to purchases from foreign suppliers. These are not considered to be material.
Financial assets: these comprise receivables that are non-derivative financial assets
with fixed or determinable payments that are not quoted in an active market.
Receivables are initially recognised at fair value and subsequently held at amortised
cost after an appropriate provision for expected credit loss.
Financial liabilities: these comprise trade and other payables, and other financial
liabilities. They are initially recognised at the fair value of the consideration received,
less directly attributable transaction costs. They are subsequently measured at
amortised cost.

Note 8: Trade Receivables and Other Current Assets

	31st March 2026 £000	31st March 2025 £000
Amounts falling due within one year		
Trade receivables	2,504	2,179
Other receivables	25	15
Prepayments and accrued income	1,845	1,394
Contract Assets	4,393	2,782
Trade and other receivables	**8,767**	**6,370**

Accrued income and contract assets relating to EU funding total £307,000 (2024-25: £270,000).

Contract assets £4,393,000 (2024-25: £2,782,000) relate to projects where costs have been incurred but not yet invoiced to the customer at year end. Revenue recognised in the period which was a contract asset at the beginning of the year was £2,782,000.

Intra-government receivable balances as at 31 March 2026 with the following bodies were:

	31st March 2026	31st March 2025
	£000	**£000**
Other central government bodies	4,441	2,711
Local authorities	180	1
Public corporations and trading funds	-	-
Bodies external to government	4,146	3,658
	8,767	**6,370**

Note 9: Cash and Cash equivalents

	2025-26	2024-25
	£000	**£000**
Balance at 1 April	3,555	4,164

Net change in cash and cash equivalent balances	(380)	(609)
Balance at 31 March	**3,175**	**3,555**
The following balances at 31 March are held at:		
Government Banking Services	3,175	3,555
Balance at 31 March	**3,175**	**3,555**

Note 10: Trade Payables and Other payables

	31st March 2026	31st March 2025
	£000	**£000**
Amounts falling due within one year		
Value added tax	663	809
Other taxation & social security	765	676
Trade payables	1,864	1,674
Other payables:		
Other	753	733
Accruals and deferred income	7,667	5,811
Contract liabilities	1,757	1,276
Trade and other payables	**13,469**	**10,979**

Other payables include employee pension contributions, at 31 March 2026, totalling £753,000 (2024-25: £733,000).

Accruals and deferred income included £7,458,000 (2024-25: £5,342,000) accruals and £209,000 (2024-25: £469,000) deferred income.

Contract liabilities £1,757,000 (2024-25: £1,276,000) relate to projects where income has been received but further work is to be delivered in the next reporting period. Revenue recognised in the period which was a contract liability at the beginning of the year was £1,276,000.

Intra-government payable balances as at 31 March 2026 with the following bodies were:

	31st March 2026	31st March 2025
	£000	**£000**
Other central government bodies	3,255	3,203
Local authorities	3	5
Public corporations and trading funds	-	44
Bodies external to government	10,211	7,727
	13,469	**10,979**

Note 11: Provisions

	Facilities	Legal claims	Total
	£000	£000	£000
Balance at 1st April 2025	67	84	151
Provided in the year	3	-	3
Provisions not required written back	-	(11)	(11)
Balance at 31st March 2026	**70**	**73**	**143**
Analysis of expected timings of discounted flows			
Later than one year and not later than five years	70	73	143
Balance at 31st March 2026	**70**	**73**	**143**

Facilities

Provision values relate to property contractual commitments that require Cefas to make good to the original condition. These provisions are based on professional estimates and management judgement

Legal claims and other items

These items relate to known Health and Safety incidents £73,000 (2024-25: £84,000). The amounts provided reflect an estimate of the potential settlements that Cefas may incur as a probable outflow.

No contingent liabilities have been identified in 2025-26 (2024-25: Nil).

Note 12: Capital Commitments

	2025-26 £000	2024-25 £000
Contracted capital commitments at 31 March for which no provision has been made:		
Property, plant and equipment	16	74

The balances relate to commitments for science equipment.

Note 13: Commitments under Leases

Operating Leases

Total future minimum lease payments for operating leases under IFRS16 relating to vehicles:

	31st March 2026 £000	31st March 2025 £000
Other		
Not later than one year	156	85

Later than one year and not later than five years	-	241
Later than five years	-	-
Total	**156**	**326**
Less interest element	(11)	(28)
Present value of obligations	**145**	**298**
Total Present value of Obligations	**145**	**298**
Current	**145**	**67**
Non Current	**-**	**231**

Note 14: Other Financial Commitments

The agency benefits from certain services that are provided centrally by Defra, including the facilities management of our operational sites. These services are agreed and managed through service level agreements between the agency and Defra but the contractual commitments underlying these arrangements are made by the core Department and disclosed in their accounts. The total charge made by Defra in the current year was £Nil (2024-25: £225,000) as disclosed in Note 2.

Note 15: Related Party Transactions

As an Executive Agency of Defra, Defra is regarded as a related party. During the year, we had significant transactions with Defra and several of its agencies, including the Marine Management Organisation, Natural England, the Joint Nature Conservation Committee and the Environment Agency.

We transacted with various other central government bodies. he most significant of these transactions have been with the Food Standards Agency and Foreign Commonwealth and Development Office (FCDO). Cefas has also transacted with local authorities.

Board members, directors and key managerial executives that have undertaken any material transactions with Cefas, Cefas Technology Limited or other related parties during the year, other than reimbursement for travel and subsistence in the normal course of activities, are detailed below:

Ruth Boumphrey, Non-Executive Director, was a Trustee at The National Oceanography Centre until October 2025. Costs of £185,000 (2024-25: £8,000) were payable to and income of £Nil (2024-25: £7,000) was receivable from The

National Oceanography Centre.

Rachel Mills, Non-Executive, is currently a Visiting Professor, School of Ocean and Earth Science, University of Southampton. Costs of £9,000 (2024-25: £2,000) were payable to and Income of £12,000 (2024-25: £Nil) was receivable from University of Southampton.

Rachel Mills, Non-Executive Director, was an Honorary Research Fellow, Natural History Museum, London which has now lapsed. Prior year 2024-25: £3,000 was payable to Natural History Museum, London.

Melanie Siggs, Non-Executive Director is currently an Honorary Professor, Heriot Watt University. Costs of £131,000 were payable to Heriot Watt University.

Anne-Marie Millar, Independent member of ARAC, is currently an Audit, Risk and Assurance Committee Non-Executive Director Department of Energy Security and Net Zero. Income of £1,087,000 (2024-25: £1,222,000) was receivable from Department of Energy Security and Net Zero.

Ian Selby resigned as a Non-Executive Director on 31 July 2024. He was a Director of Sustainable Geoscience, Plymouth University. 2024-25: £10,000 costs were payable to Plymouth University.

Cefas Technology Limited (CTL) is a non-current asset investment (see Note 6). The shares are held by Tim Green as nominee of the trustees for Cefas. Income of £Nil was derived from CTL (2024-25: £Nil) and costs of £Nil were payable to CTL (2024-25: £Nil). At 31 March 2026, £Nil was due from CTL (contract asset) (31 March 2025: £Nil) and £Nil was owed to CTL (31 March 2025: £Nil). Tim Green is an Executive Director of CTL. Steve Millward resigned as an Executive Director on 31 October 2025.

Grant Stentiford, Chief Scientist is currently an Honorary Professor of University of Exeter. Costs of £154,000 (2024-25: £442,000) were payable to University of Exeter.

Grant Stentiford, Chief Scientist is currently part of the Research Advisory Group, Edinburgh. Income of £52,000 (2024-25: £Nil) was receivable from the Research Advisory Group.

Note 16: Events after the Reporting Date

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the Accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of the Comptroller and Auditor General. There are no reportable events.

Abbreviations

- AMR – Antimicrobial Resistance
- CDEL – Capital Departmental Expenditure Limit
- COP28 – 28th Conference of the Parties
- CTL – Cefas Technology Limited
- Defra – Department for Environment, Food and Rural Affairs
- EU – European Union
- ExCo – Executive Committee
- FAO – Food and Agriculture Organization
- FCDO – Foreign, Commonwealth and Development Office
- FHI – Fish Health Inspectorate
- FM – Facilities Management
- FReM – Financial Reporting Manual
- FTE – Full-Time Equivalent
- GGC – Greening Government Commitments
- GHG – Greenhouse Gas
- GIAS – Global Internal Audit Standards
- GovS – Government Functional Standard
- HPC – Hinkley Point C
- HR – Human Resources
- HSEQ – Health, Safety, Environment and Quality
- HVO – Hydrotreated Vegetable Oil
- ICES – International Council for the Exploration of the Seas

- ICT – Information and Communications Technology
- IF – Impact Factor
- ISO – International Organization for Standardization
- JNCC – Joint Nature Conservation Council
- LEAF – Laboratory Efficiency Assessment Framework
- MMO – Marine Management Organisation
- mNCEA – marine Natural Capital and Ecosystem Assessment Programme
- MPA – Marine Protected Area
- NAP – National Action Plan
- NEDs – Non-Executive Directors
- OCPP – Ocean Country Partnership Programme
- ODA – Official Development Assistance
- PAYE – Pay As You Earn
- PELTIC – Pelagic ecosystem survey in the Western Channel and Celtic Sea
- PV – Photovoltaic
- QAIP – Quality Assurance and Improvement Plan
- R&D – Research and Development
- RDEL – Resource Departmental Expenditure Limit
- REM – Remote Electronic Monitoring
- RRS – Royal Research Ship
- SBE – Sustainable Blue Economies Programme
- SCS – Senior Civil Service
- SDGs – Sustainable Development Goals
- SSRB – Senior Salaries Review Body

- TCFD – Task Force on Climate-related Financial Disclosures
- TNFD – Taskforce on Nature-related Financial Disclosures
- UK – United Kingdom
- UN – United Nations
- WAAW – World AMR Awareness Week

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Fisheries & Aquaculture
Science

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Further information about Cefas, our activities and services, and news of recent developments can be found on our website: www.cefas.co.uk

Cefas is an executive agency of Defra

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