



GREAT * BRITISH
NUCLEAR



2024

**ANNUAL REPORT
AND ACCOUNTS**

for the financial year ended 31 March 2024

GREAT BRITISH NUCLEAR

ANNUAL REPORT AND ACCOUNTS 2023-2024

For the period 1 April 2023 to 31 March 2024

Presented to Parliament pursuant to sections 322 and 323 of the Energy Act 2023



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Cautionary statement

This document comprises the Annual Report and Accounts for the year ended 31 March 2024 for Great British Nuclear. It contains a strategic report, a directors' report (Governance Report) and financial statements, together with the independent auditor's report thereon, and is prepared in compliance with the Companies Act 2006. This document is intended to provide information to the Company's shareholders and UK Parliament, is not designed to be relied upon by any other party or for any other purpose, and the Company and its Directors accept no liability to any person other than that required under English law.

This Annual Report contains forward-looking statements i.e. statements that are neither reported financial results nor other historical information. These statements include information with respect to the Company's financial position, results of operational activities, strategy, plans and objectives. These forward-looking statements and any targets specified are not guarantees of future performance and are subject to assumptions, risks and uncertainties that could cause actual future results to differ materially from those expressed in or implied by such forward-looking statements and targets. Many of these assumptions, risks and uncertainties relate to factors that are beyond the Company's ability to control or estimate precisely, such as changes in laws or regulations and decisions by governmental bodies or regulators.



Image: Wylfa in Ynys Môn/Anglesey, Wales. © Horizon Nuclear Power.
Used with permission courtesy of Horizon Nuclear Power.

STRATEGIC REPORT

Preface

We are pleased to present the Strategic Report for Great British Nuclear for the year ended 31 March 2024. This report reflects our activities, achievements, and strategic direction based on the government policies in effect during the year.

As an organisation committed to implementing HMG policy, we recognise that changes in government policy—whether resulting from a change in administration or other factors—may necessitate adjustments to our organisation's strategy. Any such changes will be documented and reflected in our future annual reports, business plans, and official communications.

The Company qualifies for the small companies' exemption from the duty to prepare a strategic report under s.414A Companies Act 2006. In the interests of transparency, we have voluntarily opted to prepare a strategic report, however this may not meet in full the requirements of s.414A(4) (a) Companies Act 2006 in relation to providing analysis using key financial performance indicators, as explained in the Financial Review on page 22.

This Strategic Report forms the Performance Report for the purposes of the Government Financial Reporting Manual.

CHAIR'S INTRODUCTION



Simon Bowen FREng
Chair

I am delighted to be presenting to you the inaugural annual report and accounts of Great British Nuclear (GBN).

I was honoured to be appointed as an advisor and then, from March 2023, as the first Chair to lead GBN and oversee its set-up, initial programme activities and resourcing.

The revitalisation of the UK civil nuclear industry is essential to the achievement of UK government's energy independence and net zero ambitions. We have a generational opportunity to create, attract and nurture the skills and talent needed to support the UK's nuclear new build programmes for decades to come and to underpin the UK's position as a leader in nuclear power development on the international stage. My passion for preserving and building on the UK's nuclear heritage and skills for the benefit of future generations meant that I was delighted to be offered, and to promptly accept, the role.

GBN's first year has been one of incredible momentum built from a standing start. I have been consistently impressed throughout this maiden period by the work rate, unrelenting focus on quality and the milestone achievements of GBN's team of industry experts and functional leaders.

Our priorities for GBN's first year have been to:

- Define our strategy to deliver GBN's mission and mandate, including our role in advising and supporting the Department for Energy Security & Net Zero (DESNZ) on the wider nuclear programme;
- Establish a strong and effective working relationship with DESNZ and other government stakeholders;
- Plan and implement the structural and functional set-up of GBN, including establishing its Board of Directors and corporate governance framework;
- Plan and resource the small modular reactor (SMR) programme to meet the government's ambitious timetable, including considering future financing models and identifying and acquiring potentially suitable sites for SMRs; and
- Meticulously prepare for and launch the SMR technology vendor competition.

There have been many challenges to navigate during the year, arising from the scale of ambition for the UK's nuclear programme. We wholeheartedly embraced the challenge of building an organisation from the ground up to support the launch and delivery of a new programme. The overriding priority has been to deliver the public procurement that allows us to select the most appropriate SMR technologies for the UK nuclear power market. This has been conducted to a highly ambitious timeline and

“The revitalisation of the UK civil nuclear industry is essential to the achievement of UK government’s energy independence and net zero ambitions. We have a generational opportunity to create, attract and nurture the skills and talent needed...”

throughout the period we have continually focused on setting our standards to ensure the quality of our work was never compromised.

As we went through this journey, GBN was ably guided and overseen by its Board of Directors. You can read more about the composition and work of the Board and its Committees during the year in the Governance Report section of this Annual Report.

I am immensely proud of GBN’s journey to date in pursuing its incredibly important purpose towards preventing climate change and improving national energy security, which the current geo-political environment has brought into stark focus. Much has been achieved in a very short amount of time towards building organisational maturity, and this will provide a strong foundation for our future support to the next phases of the SMR and wider nuclear programme.

Looking ahead, with the continuing support and sponsorship of the government, GBN is poised to further deliver the UK’s nuclear programme and realise our full potential as a driving force in the industry. By advancing the nuclear programme, we aim to foster the environment to create thousands of high-quality skilled jobs, and in doing so contribute to the UK’s energy economy and future economic prosperity. Through our efforts, we will play a pivotal role in enhancing energy security in the UK and progressing towards net zero targets.

I would like to take this opportunity to thank all my colleagues at GBN and DESNZ who have worked so hard through periods of intense pressure to bring us to this point. I look forward to seeing the future contributions and ideas that our people, current and new, will bring.

Finally, we are grateful for the valued support and constructive feedback from our industry and government partners and stakeholders as the nuclear programme develops, and we continue at pace towards shaping and realising the tangible outcomes of our mission.



Simon Bowen FEng
Chair

CHIEF EXECUTIVE OFFICER'S REVIEW



Gwen Parry-Jones OBE FREng
Chief Executive Officer

Great British Nuclear started its work at the beginning of the last financial year in April 2023, and I am honoured to serve as its first Chief Executive Officer.

For Great British Nuclear (GBN), our core objectives are clear: we have been established to deliver a programme of new civil nuclear projects to support the UK government's ambition to accelerate to net-zero by deploying clean power and supporting energy independence.

When I reflect on the past year, I cannot help but be inspired by the progress we have made on our mission. We have designed and launched an innovative competitive selection process for Small Modular Reactor (SMR) technology providers and shortlisted the most promising to take forward.

We have also secured two sites for nuclear project development, at Wylfa and Oldbury-on-Severn, to form the basis of future projects.

This progress is all down to the highly skilled, expert team we have assembled. I am delighted to have welcomed all of our current colleagues to the organisation, who have answered the call from across the private and public sector, lending their talents and expertise to deliver on our mission.

Together the team represents the breadth and depth of skills in the UK, united by their passion, dedication and care. Their efforts reflect the values that we are instilling in GBN from the very beginning, and I am proud to work alongside them.

We could not have achieved what we have without the unwavering support from our shareholder, the Department for Energy Security & Net Zero. Our DESNZ colleagues have shown the foresight, depth of skills, pace of working, and flexibility to set out on a long-term programme for new nuclear in the UK and support us on this journey.

The past year has also been marked by change as a country. We were set up by the previous government as it realised that success in a new nuclear programme called for a fundamental change of approach. We are now being supported by the new government that has recognised GBN's role in achieving the priority mission of creating energy independence and accelerating to net-zero by 2050.

I would also like to welcome the establishment of Great British Energy (GBE) to make Britain a clean energy superpower by decarbonising the power sector by 2030, setting the country on the course to net-zero by 2050. We are committed to working with GBE to ensure that nuclear plays its part in delivering this critical mission and that UK taxpayers, billpayers and communities reap the benefits of clean, secure, home-grown energy.

“I cannot help but be inspired by the progress we have made...all down to the highly skilled, expert team we have assembled. However, we cannot do this on our own. It is only through collaboration that we can deliver the nuclear programme.”

I am also grateful for the reception from stakeholders and the wider industry to GBN's work. The passion and enthusiasm for the future is clear. The UK's nuclear sector has had some well documented challenges, ones that GBN has been set up to navigate. However, we cannot do this on our own, and we look forward to deepening our relationship with all of those in the sector, wider stakeholders, and with the communities around our sites to make the progress needed. It is only through collaboration that we can deliver the nuclear programme.

In all we do, we will be keenly focused on delivery. This means initially taking forward SMRs to unlock the immense potential they present in delivering our nuclear future. This is a significant goal, requiring a long-term focus to reap the benefits SMRs could provide. However, SMRs have not yet been deployed anywhere at scale and their first-of-a-kind (FOAK) nature presents unique considerations and complex challenges for us to overcome.

To achieve this, I am committed to ensure that GBN is an adaptable and resilient organisation that is flexible and evolves as conditions change, but with our eyes always firmly fixed on the future to deliver our long-term mission and value for the UK.

Therefore, over the next year, we will move the organisation from an initial establishment phase to a stable state. We are recruiting permanent staff, implementing the structures, processes and systems needed to allow our colleagues to thrive, and have established our offices across the country to spread opportunities.

This will enhance our ability to continue to deliver our activities. We will be progressing the SMR technology provider procurement to select technology partners. We will work to establish dedicated SMR project development companies (DevCos) and equip them to be able to take these projects forward. We will also enable and position ourselves to be ready to advise on and implement the government's nuclear policy as it develops.

I am excited for the year ahead and confident that, with the required support of DESNZ and wider government, we can make significant progress to demonstrate that our approach drives delivery for the UK. I look forward to working with our team, our shareholder, and all stakeholders to make this happen.



Gwen Parry-Jones OBE FREng
Chief Executive Officer

STRATEGIC OVERVIEW

Background to Great British Nuclear

In March 2023, the UK government established GBN to lead the delivery of the civil nuclear programme. GBN was formally given its statutory mandate in January 2024, through a designation made by the then Secretary of State for Energy Security & Net Zero exercising her powers under the Energy Act 2023.

Nuclear power has been identified as central to ensuring energy independence and reaching net zero by 2050 because it is a proven, energy dense, reliable, low carbon source of electricity, and provides the potential to support a low-cost energy system. The UK government's ambition is to make Britain a clean energy superpower, with cheaper, zero-carbon electricity by 2030 on the journey to achieve net zero by 2050.

Delivering on this ambition therefore not only requires stabilising current generation levels but reversing the trend. Previous approaches to develop new nuclear capacity have not delivered the scale of new nuclear capacity required to maintain a pathway to 2050.

Barriers and challenges have resulted in several high-profile projects not proceeding, lack of confidence in the UK nuclear sector, and increased risk of failing to meet our national ambitions. Increasing investment requires a change of approach.

The establishment of GBN in 2023 followed a year long process. During this time Simon Bowen FEng, then Nuclear Adviser to the UK government, led a scoping phase from May to September 2022, setting out the strategy and the key steps to rebuild the UK's nuclear capacity. This phase concluded with the submission of 25 recommendations to the then-Prime Minister and Secretary of State.

The Civil Nuclear Programme to 2050

There is no one approach to meeting the scale of civil nuclear ambition. A 'mixed portfolio' pipeline of projects, including technologies for large-scale plants, small modular reactors (SMRs), and advanced modular reactors (AMRs), is expected to be required.

Each technology has a different role to play in the programme. The UK government's ambition at the end of the financial year 2023/24 was to progress SMRs to aim for a Final Investment Decision (FID) by 2029, progress a potential third GigaWatt (GW) scale plant beyond Hinkley Point C and Sizewell C and enable the commercial operation of AMRs for electricity or heat production (e.g. to be used for hydrogen production and industrial processes).

GBN's initial focus is delivering the first SMR projects to demonstrate their potential to support future decisions on building fleets comprised of multiple SMR units. As the delivery body for the programme, we will also support the government to consider the next potential large-scale project, and the role of AMRs.

Due to the scale of ambition for the nuclear programme, private sector projects are also essential contributors to this. GBN is ready to work with government and industry to put in place the enabling conditions to bring these projects forward.

Internationally, the development of SMRs is accelerating, with significant investments being made globally in these technologies. In this global landscape, GBN's role is important as it positions the UK within the wider international SMR space. GBN's role in advancing the UK's first SMR projects will help to meet domestic energy needs and also to contribute to global nuclear innovation.

Who We Are

GBN brings the combination of public resources and private sector expertise to set up and invest in civil nuclear projects across all technologies to deliver the civil nuclear programme.

We implement best practices in programme and project delivery, and build lessons learnt from infrastructure and nuclear programmes into the core of our organisation and our values.

Our approach is driven by long-term planning, quality, rigour and robustness, and is underpinned by detailed resource plans, to ensure deliverability and projects that are credible and able to be financed.

GBN's activities will serve to reinvigorate the nuclear sector in the UK through reducing early-stage risks, maturing technologies, speeding up delivery, developing skills, and creating robust supply chains.

Our Mandate

GBN's mandate is to deliver the government's new nuclear programme. To achieve this, GBN has been designated its statutory objects (purpose) and powers under the Energy Act 2023, to facilitate the design, construction, commissioning, and operation of nuclear energy generation projects in the UK.

Our Establishment

To deliver on its mandate, GBN has been established as an arm's length body (ALB) of the Department for Energy Security & Net Zero (DESNZ). GBN is 100% government owned.

GBN has been set up as an ALB recognising that nuclear projects need certainty and clarity over the long term to lower costs, secure and build the expertise required to deliver, and create the conditions for a robust supply chain. Being established as an ALB allows GBN to:

- Attract, build, and retain the bespoke skills and capabilities from the infrastructure, energy, nuclear and private sectors required to deliver the nuclear programme and to advise the government;
- Have a long-term strategic focus and operate with the autonomy required to deliver on multi-decade investments in a nuclear programme; and
- Provide the credibility, certainty and continuity required to attract private investment for the development of nuclear projects and the supply chain, and to advise the government on long-term programme deliverability.



Our Role

GBN has been set up to advise on and implement government policy by delivering a nuclear new build programme.

To implement policy, GBN will:

- Design and plan the best approach to deliver the nuclear programme with a focus on deliverability and investment attractiveness. This includes designing processes to secure the technologies and sites, develop project implementation capabilities and bring in private investment (as and when required);
- Allocate public funding at initial stages through running commercial and technical processes;
- Be an agile, expert body to oversee the delivery of nuclear projects from design to operation, including setting up project development companies (DevCos) and providing oversight support as the DevCos' shareholder, with the intention to enable private sector investment into the DevCos over time; and
- Support the creation of an enabling environment to deliver the nuclear programme, including focusing on aspects such as regulation, supply chains, and skills, including development of manufacturing, assembly, and installation capabilities for the technologies.

In fulfilling its advisory role, GBN will provide advice to enable the development of a robust nuclear programme.

Our Purpose, Mission and Values

Purpose

We make new nuclear projects happen, to give us secure, reliable, and sustainable energy.

Mission

We deliver, enable, and advise on new nuclear projects. We do this by being experts in our field and focusing on outcomes; by prioritising safety; and by driving efficiency through learning. We collaborate with government and industry to initiate projects, secure sites, select technologies, deploy development funding, and build skills.

Values

Our values guide every aspect of our work, shaping our decisions and actions. They enable us to maintain the highest standards of integrity, collaboration, and excellence, ensuring that we consistently deliver value for our stakeholders.



Trust

We prioritise **safety**, we act **responsibly** and with **integrity**.



Care

We are **thoughtful, inclusive** and **respectful** of others.



Challenge

We are **curious** and **courageous** in the way we **think and act**.



Collaborative

We work as a **team**, we value **diversity** and **expertise**.



Drive

We get **things done** and we make a **difference**.

Figure 1 - GBN's values

Our Progress and Performance during the year

During its first financial year of operation to 31 March 2024, GBN has from a start-up position progressed parallel workstreams to meet its initial priority objectives.

The GBN team, supported by DESNZ, achieved a number of key milestones during the year:

Organisation:

- In March 2023, GBN's formal activities started after it was allocated its first-year funding from HM Treasury and DESNZ.
- GBN's Board of Directors was established, with the first Board meeting held in June 2023 and monthly thereafter. You can read more about the composition and work of the Board in the Governance Report that follows this Strategic Report.
- An interim Executive team was assembled, followed by interim supporting roles. This interim workforce was comprised exclusively of secondees and contractors. Recruitment of permanent employees started in Summer 2024 after approval of GBN's Pay & Reward Framework.
- In October 2023, GBN first occupied its interim office in London and in March 2024 a lease was agreed for regional office space in Warrington.
- On 25 January 2024, the Company disposed of its one share in each of its former wholly-owned subsidiaries British Nuclear Group Limited (BNG) and BNFL (Investments US) Limited (BNFL US) for the nominal sum of £1 each. The share in BNG was transferred to DESNZ, and the share in BNFL US was transferred to BNG. These inactive entities were part of the legacy British Nuclear Fuels group and their disposal allows GBN to focus on its mission without the distraction of administering unrelated historic entities.
- Also in January 2024, GBN was vested with its statutory objects and powers under the Energy Act 2023.

Nuclear Programme:

- In July 2023, GBN launched the carefully designed SMR technology selection process, including market engagement with industry participants.
- In October 2023, six SMR technology providers were shortlisted to participate in the next phase of the selection process.
- In March 2024, GBN launched the Invitation to Submit Initial Tender, inviting the six shortlisted SMR technology providers to submit proposals.
- Also in March 2024, GBN secured sites with strong potential for nuclear development – Wylfa in Ynys Môn and the Oldbury-on-Severn site in South Gloucestershire.

As a new organisation, GBN did not have an agreed set of formal key performance indicators (KPIs) in place for the year, against which to provide a detailed and separate analysis of performance. However, the achievements above represented successful delivery against the initial first-year priority objectives specified by DESNZ i.e. to work at pace to set up the organisation and to progress the SMR programme, starting with the design and launch of the SMR technology selection process.

Looking forwards

Since the end of the financial year, GBN has reached other significant milestones, which you can read about on our web pages and that will be reported on in our next Annual Report. Notably, this includes the conclusion of the initial tender phase of the SMR procurement process, leading to the down-selection to four technology providers in September 2024. GBN has also worked to establish supportive relationships with new Ministers following the change of UK government in July 2024.

Some of the priorities for the period ahead are to:

- Conclude the negotiation phase of the SMR technology provider procurement and announce the outcome of the process;
- Establish the permanent workforce and supporting capability required to support the next phases of the SMR Programme and GBN's wider organisational needs;

- Complete the design and resourcing work to enable the establishment of SMR project development companies (DevCos);
- Progress work on the characterisation of sites for new nuclear projects;
- Advise DESNZ on matters that will support its consideration and development of nuclear programme policy; and
- Continue to develop and embed the desired culture reflective of GBN's values, supported by appropriate inductions, policies, procedures, training and staff initiatives.

Our Operating Principles

People

Our ability to fulfil our mission depends of course on our people. As a new organisation, a culture is being established from the beginning, one that is caring, collaborative, challenging, driven, and based on trust. These principles will guide our people-centred approach to ensure that GBN becomes an employer of choice enabling us to recruit and secure the right people at the right time.

GBN will continue developing a people strategy to support delivery of our mission that will set out how GBN attracts, develops, and retains a high performing, highly skilled, diverse, collaborative and adaptable workforce.

Safety, Security and Wellbeing

Our number one priority is, and always will be, safety. We are committed to providing a safe, secure and healthy environment across the organisation where our colleagues can thrive at work. Our focus is to reduce the highest hazards and risks, while ensuring safe, secure and responsible operations within GBN and on all nuclear projects.

We are committed to protecting the mental health and wellbeing of people across the organisation through a supportive working environment, and we have a trained Mental Health First Aid team.

To support this priority, we will ensure our places of work are safe and secure with risks minimised in all areas. A key factor to achieving this will be through our determination to grow and embed a safety and security-aware and focused culture at the heart of our organisation.

Stakeholders

As a newly-established organisation, GBN is engaging constructively and collaboratively with all stakeholders. This includes our shareholder and sponsoring department DESNZ, other government departments, regulators and licencing bodies such as the Office for Nuclear Regulation (ONR) and the Environment Agency, nuclear sector participants and industry groups including the Nuclear Industry Association, environmental and planning organisations, local authorities, local communities and our workforce. Our aim is to establish GBN within the nuclear sector as a trusted, capable delivery body. In all our engagements we ensure that we provide clarity, create trust, and build support among the industry and other stakeholders that is essential to deliver our mission.

GBN is listening to stakeholders on the complex issues around the delivery of the nuclear programme. Through listening and supporting constructive engagement we will ensure our activities promote collaborative and cohesive relationships.

Since our launch, GBN has participated in a range of events to introduce ourselves to the market and shape our overall strategy. GBN has also led a comprehensive market engagement process to inform and guide the SMR selection process.

Social and Environmental Value

GBN recognises our responsibility to ensure our activities deliver positive impact to wider society and stakeholders, including through social, economic, and environmental considerations. To deliver positive impact within the activities of GBN, subsidiaries, and our supply chains, we will work to promote equality, narrow economic disparities, support critical skills and capabilities, embed environmental considerations, including on climate change and biodiversity, and ensure effective governance.

In support of this commitment, GBN will work towards developing a social and environmental value impact strategy, which allows us to measure and report on our contributions across our activities.

So far, we have integrated best practice social value considerations into the evaluation of proposals received through the SMR technology selection procurement process and will work to ensure these are implemented through any contracts. We are also committed to creating opportunities throughout the sector and are proud to support the Women in Nuclear Non-Executive Director (WiN-NED) Programme to increase the number of women in senior positions across the UK nuclear industry. See page 39 for more information on this.

You can read more on our approach to these important areas in the ESG Review that follows within this Strategic Report.

Our Business Model

GBN has three strategic functions that describe the activities and capabilities that are being established to execute on our mission, and fulfil our implementation role: Delivery, Enabling and Advisory. These are underpinned by our Corporate Support Services.

These functions work together to deliver the mission of GBN and implement policy through:

Delivery

The Delivery function is central to GBN's role in the implementation of government policy and has two elements:

1. Build pipeline of public-led projects:

Enable the allocation of public money to ensure there are nuclear projects that are implementation-ready and financeable. This includes designing and running commercial selection processes, leading complex contract negotiations, acquiring sites, developing and overseeing funding structures, and establishing development companies. The outcome is a pipeline of projects (e.g. SMR fleets, large scale plant) ready to be implemented i.e. projects with a site, technology, development company and funding.

2. Oversight of nuclear portfolio:

GBN focuses on the structures, processes and systems required to manage and oversee the nuclear programme. To deliver this function GBN has strong commercial, technical, and planning expertise, able to ensure delivery and oversight of public investments in nuclear projects. This will include overseeing GBN-owned development companies (once established with a technology and a site) through project development phases, and progress towards delivery of the overall nuclear programme, including any public support measures for private-led projects.

The outcomes of these functions will be a pipeline of projects that are being implemented, and the appropriate structure and assurance mechanisms in place to manage the nuclear project portfolio and delivery of the nuclear programme.

Enabling

The Enabling function is a core component of GBN's capability to deliver the overall nuclear programme by supporting the creation of the conditions that facilitate this. It enables the delivery of the nuclear programme by taking a whole system approach to the implementation of government policy. That includes developing the funding and financing models and supporting the work on skills and supply chain.

GBN uses its strong commercial and technical expertise and practical delivery experience to support the implementation of policy. We will also build partnerships with regulators, supply chain and the finance community to create the conditions that enable the delivery of projects.

The outcome of this function is the creation of an environment that facilitates the delivery of nuclear projects.

Advisory

The Advisory function provides independent, evidence-based advice on the strategic direction of the nuclear programme to support government policy making. This function capitalises on GBN's technical, commercial, and financial expertise, as well as experience and lessons learnt to integrate considerations on delivery and ability to attract finance into policy development. Sector expertise and 'blueprints' from the delivery of the programme will be used to provide frameworks for future programme design and delivery.

Corporate Support Services

Underpinning the execution of these three functions are robust GBN corporate support services. These undertake the corporate activities required to deliver digital and office facilities, ensure that we can manage, attract and retain high-performing, high-skilled people, engage with our stakeholders, implement the structures to manage public funding effectively and to have the right level of assurance, legal support, governance, delegation of accountabilities and reporting.

Our capital inputs

Human Capital

Our most valuable asset is our people. We provide them with incredible career opportunities, invest in their personal growth, and cultivate a culture of diversity and inclusivity that allows everyone at GBN to be their authentic selves and achieve their full potential.

Financial Capital

We manage our finances responsibly, ensuring that investment from our government shareholder is spent effectively to create long-term value for the public. Our careful management of project and programme budgets ensures we deliver value for money, upholding our commitment to public accountability.

Intellectual capital

No matter the scale or complexity of a programme, our team of technical experts is committed to delivering excellence. Our intellectual capital lies in the diverse experience of our workforce, combining insights from both government and industry. This blend of knowledge allows us to deliver value, foster innovation, and address complex challenges effectively.

Delivering through our strategic function



Deliver

Lead the activities required to build the pipeline of projects that constitute the programme and perform oversight of the overall nuclear portfolio



Enable

Facilitate the conditions required for implementation of the nuclear programme



Advise

Support government policy decision making relating to the strategic direction of the nuclear programme

Corporate support services

Our values

Our values guide every aspect of our work, shaping our decisions and actions. They enable us to maintain the highest standards of integrity, collaboration, and excellence, ensuring that we consistently deliver value for our stakeholders.

A safe and responsible business

The safety, security and wellbeing of our people - and the communities we serve - are our top priorities. By promoting a culture of safety, inclusion, ethics, and social and environmental responsibility, we build trust and strengthen our reputation for delivering excellence.

Best outcomes for our stakeholders

Public Value

As a government arm's length body, GBN is dedicated to delivering value for the public. We are committed to ensuring that taxpayer investment is utilised efficiently and effectively, providing value for money through our programmes.

Supply Chain Growth

GBN's work will have a direct benefit to the growth and resilience of the nuclear supply chain. This supports local businesses, drives innovation, and contributes to a skilled workforce, ultimately enhancing the competitiveness of the nuclear industry.

Local Communities

Our programmes support local employment and skills development, contributing to community growth. We invest in infrastructure and environmental stewardship, aiming to leave a lasting legacy that enhances quality of life for all.

UK Government

HMG, our single shareholder, trusts us to deliver programmes of national importance. We operate with transparency and integrity, ensuring that our actions align with the public interest. By understanding government priorities, we strive to exceed expectations, building trust and reinforcing our commitment to delivering value for the nation.

Figure 2 - GBN's business model

ESG REVIEW

GBN is outside the requirements of s.414CA and 414CB Companies Act 2006 to include in its strategic report a non-financial and sustainability information statement, and is outside of the requirement to comply with the Task Force on Climate-related Financial Disclosures (TCFD)-aligned disclosure application guidance. The information contained in this ESG Review is therefore disclosed on a voluntary basis in the interests of transparency.

GBN is committed to embedding Environmental, Social and Governance (ESG) principles at the core of our operations. This first year has focused on building a foundation for sustainable growth, aligning with our values, and creating positive impacts for our people, communities and stakeholders. Though we are at the start of our ESG journey, we are determined to build a responsible, transparent and impactful organisation that contributes meaningfully to society.

Environmental

In our first year of operation, GBN has planned our environmental approach, focusing on understanding our impact and identifying areas for improvement. We are committed to responsible environmental stewardship, maintaining a low carbon footprint, and adopting sustainable practices across our programmes as we develop our capabilities further.

The opportunity to shape a cleaner, greener future and contribute to the achievement of Carbon Net Zero is at the heart of GBN's purpose and remit. We exist to support, via delivery of the new nuclear programme, the government's commitments under the Climate Change Act 2008 and its ambition to power the UK with clean power by 2030.

Carbon Footprint

Our approach to assessing the Company's carbon footprint is in line with the standards and guidance of 'The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard' for 'Scopes 1 to 3'.

We first identified the emission sources within each scope relevant to GBN in the financial year. Our initial qualitative assessment revealed our highest areas of impact and therefore where we should focus our attention for further data capture.

- **Scope 1** – GBN does not own or directly lease any vehicles – nor do we use LPG to power buildings.
- **Scope 2** – GBN currently occupies floor space in two offices: at Warrington and London. Our offices have a low worker footfall and they are managed by third parties

responsible for management of utilities and energy use. During the year the majority of GBN's workforce operated on a hybrid/remote basis rather than being office-based, for whom a carbon footprint has been estimated based on number of workers and the average power output of GBN IT equipment used by them.

- **Scope 3** – GBN's outsourced supplier contract footprint, travel and subsistence form the basis of calculation of emissions for scope 3. All workers are encouraged to use public transport for business travel wherever possible, and the current model of hybrid/remote working for most of the workforce meant that emissions that would otherwise have been caused by daily commuting were significantly reduced. We do expect a necessary increase in the amount of face-to-face working overall in the periods ahead, to support development and management activities as the SMR projects take shape.

This early qualitative assessment has demonstrated that the majority of emissions associated with GBN arise from our use of suppliers rather than GBN's own direct footprint.

We recognise that as a start-up organisation we did not have suitable resources and systems in place to accurately capture emissions data in our first financial year ended 31 March 2024. We recognise the need for and benefit of robust, auditable data going forward. We are maturing our approach by developing a data collection process and system that captures information in line with the Greenhouse Gas Protocol to support reporting in future financial periods.

The Natural Environment

GBN recently announced the purchase of two sites for new nuclear development from Hitachi: the first at Wylfa in Ynys Môn/Anglesey and the second at Oldbury-on-Severn in Gloucestershire.

Wylfa and Oldbury have tremendous potential and present a significant opportunity for new nuclear power to benefit Britain and local communities. Each location has a long history of hosting the UK nuclear industry and has experienced the enormous benefits that nuclear power can bring to their local and regional economies.

We are setting out to work closely with the local communities at these sites to consider how future new nuclear projects will benefit them. Both sites contain a variety of habitats, species and designations on or adjacent to the sites, which makes their use for development highly regulated. Engagement has started with local stakeholders, and we look forward to developing our dialogue with local communities, interested stakeholders and relevant authorities.

Looking forward, our activities will focus on the next stages required to complete characterisation work and extensive surveys on both sites and plan for the SMR programme.

Social

Our People

GBN has rapidly built a core Executive team of experienced experts from the private and public sector to lead the delivery of GBN's mission, supported by additional team members. All of these roles were interim and comprised entirely of secondees and contractors. We have recently started recruitment of our permanent workforce.

Diversity and Inclusion

We are proud of the record we are achieving on equality, diversity and inclusion within our organisation. GBN is exceeding industry

averages on gender and ethnic diversity. We are very focused on maintaining and striving to improve on this as we move into recruitment of our permanent workforce.

To attract, engage and retain high calibre people, we create an environment where people are able to give their best. We provide strong, clear leadership and a supportive environment where our people are encouraged to learn, grow and collaborate on genuinely impactful work.

GBN is committed to equality of opportunity and deeply values the diversity of thought this brings to our organisation. We seek to understand and reflect the community in which we operate, building loyalty with our colleagues, candidates and partners. We aspire to have an inclusive working environment where everyone may contribute to our success and fulfil their potential. We have established an Inclusion and Diversity network to support this.

Code of Ethical Conduct

We have developed a Code of Ethical Conduct. This is more than a compliance measure; it is designed to promote an ethical and responsible culture at GBN so that we may uphold a reputation as a fair, honest, and ethical organisation that always strives to do the right thing. The Code of Ethical Conduct outlines the standards of behaviour expected of everyone at GBN, guiding how we conduct business responsibly across all areas of our operations.

Safety, Security and Wellbeing

GBN cares deeply about the safety, security and wellbeing of our workforce, and it will always be our top priority. This is embedded in our operating principles that you can read more about on page 14. As well as having the appropriate policies, procedures and training in place that are expected, we undertake additional measures to ensure that everyone can work and thrive in a safe, secure and supportive environment. We have channels in place where our people can seek the help and support of others whenever needed, including from our

trained Mental Health First Aid team, and we encourage all of our workers to be vigilant to indicators that colleagues may need additional support.

Anti-Bribery and Corruption

GBN maintains a zero-tolerance approach to bribery and corruption. Our Anti-Bribery and Corruption Policy is integral to ensuring that we conduct all business activities with transparency and integrity, whether operating in the public or private sector.

Speak Up and Listen

To support the highest standards of ethical behaviour, governance, and accountability, GBN encourages a 'Speak Up and Listen' culture. We provide an anonymous whistleblowing hotline available 24/7, enabling anyone within the organisation to report unethical behaviour safely and confidentially. Equally important is our commitment to listening actively when concerns are raised. Managers are provided with guidance to ensure they create an environment of psychological safety, where employees feel comfortable speaking up. By fostering open dialogue, we aim to address issues effectively and ensure that all voices are heard and respected.

Modern Slavery Act Compliance

GBN is committed to preventing modern slavery and human trafficking within our operations and supply chain. Our Modern Slavery Transparency Statement for 2023-24 details the steps we have taken to uphold the letter and spirit of the Modern Slavery Act. You can read our Modern Slavery Statement on our web pages. We are dedicated to ensuring our supply chain remains free from these violations and will continue to work towards eliminating such risks.

Conflict of Interest

To uphold GBN's integrity, our Conflict of Interest Policy outlines arrangements for managing actual, perceived, or potential conflicts of interest. This ensures that we meet our legal obligations and maintain public trust. All outside interests, relationships, activities, or situations that may present a conflict must be declared and managed appropriately, protecting GBN from any negative impact.

Responsible Procurement

GBN is dedicated to responsible procurement practices that align with our values. Our Responsible Procurement Policy ensures that our procurement decisions are ethical, transparent, and support our commitment to sustainability and community wellbeing.

Social Value

At GBN, we recognise the importance of our role within the communities we serve. In this first year, we have focused on fostering an inclusive workplace and supporting skills development. We are committed to engaging meaningfully with communities, promoting wellbeing, and creating positive social impacts through our work.

Our Social Value Objectives

Social Value is a vehicle through which positive societal change can be implemented and outcomes critical to the nuclear programme can be achieved.

The nuclear programme and its supply chain has the potential to advance equality and narrow disparities between communities through the inclusion of under-represented groups within the workforce and by providing training opportunities.

Our objectives in support of these aspirations are:

- To deliver social impact/sustainability from within GBN and from our supply chain to add value to wider society and stakeholders;
- To secure the best social, economic and environmental outcomes including social value, sustainable development and inclusive growth in tender activities;
- To embed social impact/sustainability best practice across all GBN activities; and
- To continuously improve our social value/sustainability offer.

Social Value in Procurement

A key focus has been in developing procedures to effectively embed social value in GBN procurement activities.

In accordance with Procurement Policy Note 06/20, Social Value makes up a minimum weighting of 10% of the total score in qualifying GBN procurements to ensure that it is a differentiating factor in bid evaluation.

Social Value tenderer requirements are based upon the government’s published Social Value Model with the application of model award criteria linked to the GBN strategic priorities outlined above.

Following the submission of Final Tenders, the Tenderers’ responses form the basis for defining contractual commitments which will become subject to on-going monitoring.

Governance

Good governance is fundamental to the responsible development and operation of our organisation, including underpinning the environmental and social objectives set out above. We are committed to transparency, accountability, and ethical decision-making. This year, we have focused on building our governance framework and supporting structures to ensure alignment with stakeholders’ expectations and instil confidence in our ability to deliver responsibly on our mandate. You can read more about this in our Governance Report that follows this Strategic Report.

Our approach to Social Value & Sustainability

Our focus towards meeting our social value objectives, working with our suppliers, will be on:

- Closing critical skills gaps (both current and future) within nuclear and supporting industries
- Having access to diverse and resilient supply markets with the ability to provide innovative solutions, expertise and help de-risk the nuclear programme
- Cultivating a workforce with the capacity and capability to meet the needs of the nuclear programme
- Delivering additional environmental benefits including working towards net zero greenhouse gas emissions
- Influencing staff, suppliers, customers and communities to support environmental protection and improvement

Skills	Supply markets	Workforce	Local communities
Closing critical skills gaps (both current and future) within nuclear and supporting industries through the enduring development of talent and access to training and programmes	Access to diverse and resilient supply markets, representative of all tiers, with the ability to provide innovative solutions, expertise and sufficient capacity to help de-risk the nuclear programme	Availability of a diverse workforce with the knowledge, experience, capacity and capability to deliver the government nuclear programme	Prosperous, collaborative and cohesive local communities in sites selected for new nuclear power generation

Figure 3 - Our social areas of focus

FINANCIAL REVIEW

Change of accounting reference date

During the year, the Company changed its accounting reference date from 30 June to 31 March to align with DESNZ and government consolidated reporting requirements. This was achieved by shortening the Company's previous accounting period to nine months running from 1 July 2022 to 31 March 2023. This enables GBN to report on a full 12-month financial year basis from its first year of trading activity during the period 1 April 2023 to 31 March 2024 and in future years.

Provision of funding

By 1 April 2023, HM Treasury had provided an initial two-year funding commitment to DESNZ in relation to GBN, commensurate with that required to launch a major infrastructure programme and arm's length body start-up operation. This allowed DESNZ to approve funds to allow GBN to meet its operational expenditure for the year ended 31 March 2024 and into the following financial year. With DESNZ's approval, this funding was made available to GBN from existing deposited cash funds (as at 31 March 2023) attributable to the Company's legacy British Nuclear Fuels business.

Financial results

The Company incurred a loss before taxation of £8,296,000 for the year (nine months ended 31 March 2023: profit before taxation of £5,168,000). During the year the Company incurred an operating loss of £22,171,000 (nine months ended 31 March 2023: operating profit of £169,000). With the magnitude of scope and delivery that GBN embodies and the fact that GBN has no revenue-generating activities, it was anticipated that a financial net deficit position would be generated for the initial year of trading and that expenditure will continue to exceed operating income in the early years of business activity. As shown in note 3 to the Financial Statements on page 73, the majority of GBN's operating expenditure in the year related

to professional services and consultancy spend, and the costs of GBN's interim workforce.

The operating loss was offset in part by interest receivable of £13,879,000 on bank deposits during the year (nine months ended 31 March 2023: £4,999,000). Short-term deposits are held with the UK government's Debt Management Office (DMO) and are generally placed for a period of three months earning interest at a fixed rate. The increase in the amount of interest receivable compared with the prior period is due to the prior period being nine months rather than a full year and a rise in interest rates during the reporting year. The Bank of England base rate was subject to a number of interest rate rises during the current and prior period from 1.25% on 1 July 2022 to 4.25% on 31 March 2023 and peaking at 5.25% on 18 August 2023.

In March 2024, DESNZ approved additional funding to GBN to be used against the payment consideration for the acquisition of sites to support delivery of the government's civil nuclear policy, together with the costs of any related access rights, transitional services and tax payable. Contracts were exchanged on 5 March 2024 for GBN to acquire two sites for new nuclear development: Wylfa in Ynys Môn/Anglesey and Oldbury-on-Severn in Gloucestershire. These site acquisitions were completed after the financial year end on 28 June 2024 at a cost of £170,589,000, inclusive of stamp duty land tax and land transaction tax. These sums were also drawn, with DESNZ's approval, from existing deposited cash funds. Please see note 2d to the Financial Statements on page 69 for more information.

The Company did not have agreed formal financial key performance indicators in place during the year (GBN's first year of activities) upon which to provide analysis for the purposes of s.414A(4)(a) Companies Act 2006. However, the above sets out key financial information that reflects the small size of the Company and the limited categories of financial transactions undertaken during its first year to support GBN's early-stage activities.

Dividends

The Company did not declare any dividends during the year and has not done so since the period end.

Liquidity, cash management and financial instruments

The financial resources available to the Company on 31 March 2024 were £338,456,000 (2023: £342,583,000). The Company holds funds in bank deposits and money funds which are less vulnerable to market variations. Liquidity is managed via short to medium term deposits in the money market with highly rated banks. At 31 March 2024, the Company continued to have a significant amount of its funds (£250,000,000 (2023: £250,000,000)) invested with the DMO at HM Treasury. The remainder of the Company's funds continue to be held with its primary banker NatWest. The risk to those funds is considered to be low. Management routinely reviews the investment policy of its funds.

The Company has not made use of any other financial instruments during the year or since the period end.

The Company had no loans outstanding at the year end or at the previous period end. Details on the Company's exposure to interest rate risks are detailed in note 15 to the financial statements on page 80.



RISK MANAGEMENT AND ASSURANCE

Risk management is a key decision-making tool supporting the achievement of GBN's strategic objectives. It enables us to develop our programme of new nuclear securely, safely, and cost effectively. Successful management of risk across activities requires proactively identifying and managing the impact of risks and maximising the likelihood of realising opportunities. Risk is considered proportionately when taking decisions.

Risk management approach

Our risk management approach is aligned to principles set out in the HMG Orange Book (Management of Risk: Principles and Concepts). In GBN's first year since being established, steps have been taken to define and implement GBN's approach to risk management, to identify and calibrate GBN's Principal Risks and to start to build a robust risk management, controls and assurance framework. A Risk Management Policy was established in October 2023 to ensure that risks are identified and managed appropriately within the organisational risk appetite.

One of the key principles underpinning GBN's Risk Management Policy is that risks will be managed at the lowest appropriate level at which the owner has the authority, responsibility and resources to take effective action. Accordingly, GBN has developed different layers of risk management that includes consideration of risks at project/workstream level, SMR programme level and corporate/strategic level.

This initial work has been overseen by the Audit & Risk Committee. Due to the early stage of GBN's development, a "comply or explain" assessment against the provisions of the HMG Orange Book has not been undertaken in respect of the financial year 2023-24. However, this is planned to be undertaken and reported on in our next Annual Report. The Executive team and the GBN Board, supported by the GBN Board Committees, have routinely, regularly and robustly discussed the Principal Risks facing

the organisation including their management and mitigation. When required, they have taken steps and decisions, with appropriate engagement of key stakeholders, to preserve the pursuit of a successful Programme and strategy.

The initial work undertaken in GBN's first year continues to be developed in alignment with the HMG Orange Book, under the oversight of the Audit & Risk Committee and the GBN Board, as the organisation and its programme of work matures and evolves.

Risk governance and assurance

The GBN Board, of which the Accounting Officer is a member, has overall responsibility for GBN's risk management and for the setting of risk appetite. GBN Board Committees are given responsibility on behalf of the GBN Board for the oversight of particular risks relevant to the Committee's area of work. The Audit & Risk Committee is responsible for advising the GBN Board (including the Accounting Officer) in relation to the Board's assessments of the emerging and Principal Risks and the effectiveness of the systems of risk management and internal controls.

The Accounting Officer is accountable for the management of all GBN risks. The members of the Executive team have leadership responsibilities for those risks assigned to them and a duty to ensure risks in their areas of responsibility are identified, managed and reported. All GBN staff have a duty to contribute to risk management initiatives in their own area of activities and managers are expected to develop and encourage a collaborative culture of well-informed risk-based decision making.

GBN's central risk and assurance team has responsibility for designing, implementing and embedding the system of risk management, the underpinning processes and for providing support and oversight to the organisation to ensure that risks are being identified and managed effectively.

Risk identification and assessment process

Each business and functional area maintains a risk register, which the relevant Executive team member oversees for their area. As the SMR programme has developed, many of the programme level and workstream level risks have recently been quantified. As GBN's maturity in risk management continues to develop, quantitative risk management will increasingly be incorporated into Company processes where appropriate. However, the nature of certain risks means that it will not always be possible to apply a quantitative approach.

GBN's Executive team together identifies the risks to the Company that are significant enough for recording on GBN's corporate risk register maintained by the GBN central risk team, and this is calibrated to identify the Principal Risks i.e. the key risks that could impact on GBN and force a fundamental change to the current strategy and/or impact to GBN's mission. The Principal Risks agreed by the Executive team are shared with the Audit & Risk Committee and the GBN Board for review and testing, which process allows for changes or additional Principal Risks to be proposed by the Non-Executive Directors using their broad experience and knowledge. The Principal Risks are kept under regular review and are calibrated and updated as required, for example to reflect changes in environment, changes of circumstance, or to capture significant emerging risks identified.

Risk monitoring and reporting

Monitoring and proactive management of GBN's recorded risks is coordinated by the central risk team with suitable sponsorship, ownership and (wherever possible) key risk indicators in place. The mitigation actions for the Principal Risks are a mixture of stand-alone actions and formal controls. Once controls are formally implemented these are subject to regular Risk Control Self-Assessment (RCSA).

Risks are reported on frequently to the Executive Committee, the Audit & Risk Committee and the GBN Board, including using impact/probability heatmaps to illustrate the pre- and post-mitigation position for each identified Principal Risk. This approach helps inform the setting of risk appetite by the GBN Board and assessment of Principal Risks against such appetite. GBN operates a '3 lines' model aligned to the HMG Orange Book principles to support its risk management, internal controls and assurance framework.

Financial controls and fraud prevention

GBN has policies, procedures and controls in place designed to manage the risk of financial loss, including through fraud. This includes an Anti-Fraud, Bribery & Corruption Policy and a Speak Up and Whistleblower Procedure supported by an externally-hosted anonymous whistleblowing hotline. GBN has also implemented a Banking Policy, aligned to Managing Public Money, with related procedures which provide controls over cash management and the authorisation of financial transactions.



OUR PRINCIPAL RISKS:

The Principal Risks identified are set out in the table below. The key mitigation measures listed against each Principal Risk are already in place, are being implemented or are planned to be implemented.

Principal Risk	Key Mitigation Measures
<p>TECHNOLOGY MATURITY: Due to the First of a Kind (FOAK) nature of the technology, providers may not be able to meet strategic objectives, including timely delivery, value for money and obtaining regulatory approval. This may delay approval timelines, affect project milestones or cause an SMR project to fail.</p>	<ul style="list-style-type: none"> • Assessing several technology propositions in a competitive process with the potential to select up to two technology providers, plus an option to have a reserve contractor, to provide contingency against one provider failing to meet agreed standards. • Predetermined exit points are built into the project governance process, including should a project exceed cost estimates or timelines stretch beyond acceptable parameters. • Developing credible, phased plans for the development of the technology design and safety case and building of the organisational capability needs, enabling early identification and mitigation of potential risks to ensure progression and alignment with regulatory requirements. • Undertaking gateway reviews within the procurement and design phases to assess readiness, address potential risks and confirm alignment with regulatory requirements. • Implementing a structured, proactive engagement plan with the Office for Nuclear Regulation (ONR) and other regulatory bodies to promote transparency and enable early identification and resolution of potential issues.
<p>AMBITIOUS PROGRAMME TIMELINE: GBN may fail to deliver the nuclear programme and commercial procurements because of the ambitious timeline required to support delivery of projects to Final Investment Decision and subsequently Commercial Operation. This may result in stakeholder misalignment, reputational damage and loss of credibility for the UK nuclear programme.</p>	<ul style="list-style-type: none"> • Develop robust resource planning, with risks and plans analysed. • Programme governance structures and readiness reviews to regularly test deliverability to schedule. • Change management procedures in place with impact reviewed across all aspects of the programme.

Principal Risk	Key Mitigation Measures
<p>RESOURCING: Due to skills shortages and the resulting competitive market for talent, GBN and its key suppliers may not be able to attract and train suitably qualified and experienced personnel to ensure necessary capabilities of the right quality are in place when needed to support the programme requirements.</p>	<ul style="list-style-type: none"> • Collaborating with Nuclear Skills Board on initiatives to ensure the nuclear industry has the necessary workforce to meet future demand. • Arrangements to allow deployment of a diverse and flexible workforce to meet demanding and changing resource requirements, including permanent employees, secondees, contractors, agency workers and third-party service providers. • Developing an integrated resourcing strategy to optimise allocation of specialised resources as between GBN and the SMR project development companies (DevCos) to align with the strategic objectives.
<p>FUNDING & FINANCING: GBN’s available funding may be insufficient to resource and deliver the programme to the planned timetable, e.g. should a change arise from any change in government policy or in its budgetary priorities. A reduction in funding could also be triggered by market conditions or external events such as an external nuclear event affecting public sentiment towards nuclear safety. SMR projects may also not achieve sufficient investibility to attract private financing or a change in policy may preclude this. Sub-optimal project delivery, reduced value for money and potential delays or stoppages could arise as a result.</p>	<ul style="list-style-type: none"> • Forecasting processes and budgetary controls to inform budget submissions and oversee the allocation of funds to ensure they are used efficiently and effectively to achieve GBN’s strategic objectives. • A formal multi-year spending review process to proactively assess past spending patterns, determine future funding needs and make informed decisions about budget allocations. • Agree long term principles and attractive investment model for private finance. • Industry best practice project management by GBN experts underpinned by robust governance arrangements to enhance credibility and transparency and instil confidence with government stakeholders. • GBN works closely with industry organisations, the ONR and other relevant regulatory bodies and would expect to receive support and guidance in the event of an external nuclear event. GBN’s commitment to industry best practices and safety standards would help mitigate concerns and reinforce trust with the public and stakeholders with regard to GBN’s operations, which would support UK government’s position in continuing with the Programme.

Principal Risk	Key Mitigation Measures
<p>STAKEHOLDER ALIGNMENT: Our key stakeholders may not fully understand or align with GBN’s purpose and objectives, potentially leading to longer approval processes, lack of stakeholder support and consequential delayed realisation of benefits from the nuclear programme.</p>	<ul style="list-style-type: none"> • Regular scheduled update and review meetings with government stakeholders. • Operating a focused and sustained stakeholder engagement programme, including conferences and industry speaker opportunities, that actively involves key groups including industry leaders, parliamentarians, trade unions, and other priority stakeholders to foster stronger relationships, build trust and facilitate understanding of our mission and alignment between our objectives and the interest of our stakeholders.
<p>CONTRACTUAL & PROCUREMENT COMPLEXITY: The organisational interfaces and governance requirements to procure the design and construction of the FOAK SMR plants are complex, which may lead to unclear scope, decision-making rights and respective accountabilities/responsibilities between parties and consequential cost overruns, delays and disputes. As with any public procurement process, GBN’s procurement decisions may also be challenged by unsuccessful bidders which could result in additional costs, project delays, adverse publicity, and negative impacts on awarded contracts.</p>	<ul style="list-style-type: none"> • Organisational design and operating model agreed that define roles, scope, key interfaces, responsibilities and risk allocation among the parties involved in procurement processes. Commercial models aligned across all organisations/partners. • Further capability in project and technical oversight, programme/project cost estimation and complex programme delivery being added to support robust management of the programme. • Expert Commercial and Legal teams engaged who are highly skilled and experienced in complex public procurements, with appropriate controls in place to ensure a quality process. • Evaluators and moderators involved in the SMR technology provider procurement process are trained to conduct fair and transparent evaluations, using rigorous processes. • Competitive negotiated procedure utilised for technology partner procurement, with assurance process for negotiations in place and progressive down selection.

Principal Risk	Key Mitigation Measures
<p>SITE READINESS: We may be unable to provide sufficient fully prepared and suitable sites to support SMR projects in alignment with the government’s SMR programme timeline and other sites required to support the wider nuclear programme. This could lead to significant delays in project delivery and additional costs.</p>	<ul style="list-style-type: none"> • Conducting early site characterisation assessments to establish ecological and environmental baselines and inform site suitability, implementation of necessary mitigation measures and compliance with regulatory requirements. • Integrating site preparation activities into the overall SMR project delivery schedule to allow for early indications of potential project delays against the government’s timing ambitions. • Early and ongoing engagement on the project’s scope and requirements with all relevant stakeholders and project partners, including local communities, the Environment Agency, the Planning Inspectorate, other environmental organisations, and government entities. This helps us to understand stakeholder concerns and expectations, build trust and foster transparency, enable early identification of issues and facilitate site approvals.
<p>CYBER THREAT: An undetected, undetected or undefended cyber security threat could result in the loss or theft of confidential and/or sensitive information, business disruption, potential regulatory and security breaches, and/or reputational damage.</p>	<ul style="list-style-type: none"> • Recruitment of a skilled IT Security team. • Deployment of industry standard information security policies, procedures and technology. • Engagement with government IT Security teams, the National Cyber Security Centre (NCSC), industry peers and advisers to remain apprised of the threat environment, trends and appropriate protective measures.

SECTION 172 (1) STATEMENT

It is the opinion of the Directors of the Company that, during the year, they have acted in the way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, as required under the Companies Act 2006.

During the year, the GBN Board members received refresher training on their Directors' duties, including those arising under s. 172 Companies Act 2006.

To support the Board members with satisfying their duties, the GBN Company Secretariat team has deployed a template Board report paper that prompts authors of papers, and the Board, to consider the potential impacts on wider stakeholders of the matters covered in the report.

Throughout the year, the Board has remained ever-mindful of the policy goals of the Company's shareholder, DESNZ, the need to serve the interests of the UK taxpayer in managing public money and the need to build and preserve brand reputation to attract the right resources and help garner the support of market participants, communities and regulators that will be essential to the successful delivery of the Programme.

In exercising their duties to promote the success of the Company, the Directors have considered:

- **the likely consequences of any decision in the long term;**

The SMR Programme and the wider UK nuclear programme are, by their nature, long-term and the Board's work and decisions in the year have focused on protecting the SMR Programme from risk and nurturing the best environment for a successful long-term outcome for the benefit of the public at large.

- **the interests of the Company's employees;**

As a start-up organisation, the Board has overseen the ramping up during the year of GBN's interim workforce to support GBN's set up activities and programme activities against an ambitious timeline. The Board has been kept informed by the CEO, Chief People Officer and other Executives of the demands on the workforce and steps taken to alleviate pressure points and ensure the wellbeing of our colleagues. The Board has also overseen the Executive team's organisational design work, has supported with the settlement of GBN's pay and reward framework, and has welcomed the approach of seeking to accommodate individuals' preferences regarding interim tenure and opportunities to apply for permanent roles wherever possible, subject to requirements and all necessary approvals.

- **the need to foster the Company's business relationships with suppliers, customers and others;**

The Company's Chair, CEO and members of the Executive team have been active in attending and speaking at nuclear industry events and conducting private meetings during the year to raise awareness of, and garner support for, GBN's purpose and mission, to network and build relationships with industry contacts and to support industry initiatives. The Board receives routine reports from the Chair and CEO at each Board meeting on such industry engagement activities. The Board has also remained well informed of developments regarding the SMR technology provider procurement, understanding that the close and detailed interactions between the GBN Commercial team and the participating technology vendors will form an important foundation for the crucial longer-term relationship that will be established with any selected vendors.

- **the impact of the Company's operations on the community and the environment;**

GBN's own internal operations have limited impact on the community and the environment, due to the relatively small workforce, small office footprint used and abundance of hybrid and remote working. You can read more about this in our ESG Review within the Strategic Report. However, the heart of GBN's purpose and mission is the delivery of the UK nuclear programme to enable a greater contribution from nuclear, as a low-carbon energy source, to the power grid. This will benefit the environment in terms of contributing towards the government's energy security and net zero targets, and benefit local communities by providing long-term employment opportunities and contributions to local economies in new-build site locations. The Board has remained mindful of this, including in its discussions on siting strategy, and receives updates from members of management on the views of local communities including from engagements or communications with local politicians and community groups, and via media reports.

- **the desirability of the Company maintaining a reputation for high standards of business conduct;**

The Board has had regular discussions during the year that have focused on the need to retain integrity, quality and professionalism, provide appropriate levels of transparency and earn credibility through conduct. The Board has regularly tested, and insisted as a matter of risk appetite, that the quality of the technology provider procurement process is not compromised. The Board's discussions have also covered corporate culture and the creation of an attractive environment for

current staff and potential recruits, as well as considering how GBN is perceived externally, using anecdotes from Directors' and Executives' market interactions and media reports. The Board, supported by its Committees, has overseen the development and deployment of a suite of corporate and HR policies and procedures, a Code of Ethical Conduct and an Ethics Line for the raising of concerns. The Board itself has adopted a Board Code of Conduct and procedure for the declaration and assessment of Directors' interests, that you can read more about in the Governance Report that follows this Strategic Report.

- **the need to act fairly between members of the Company.**

The Company is owned outright by the Secretary of State for Energy Security & Net Zero (with a nominal share held by the Treasury Solicitor) and this duty is therefore of very limited application. DESNZ provides support, as GBN's sponsoring organisation, with engagements and submissions involving other government departments.

This Strategic Report was approved by the Board and signed on its behalf.

By order of the Board:



Gwen Parry-Jones OBE FEng
Chief Executive Officer and Accounting Officer

6 December 2024



Image: Oldbury-on-Severn site, South Gloucestershire

GOVERNANCE REPORT

Preface

We are pleased to present the Governance Report for Great British Nuclear for the year ended 31 March 2024.

This Governance Report forms:

- the directors' report required by s.415 Companies Act 2006; and
- the Accountability Report for the purposes of the Government Financial Reporting Manual.

CHAIR'S INTRODUCTION TO GOVERNANCE REPORT



Simon Bowen FREng
Chair

From the inception of Great British Nuclear, we have recognised the critical importance of developing a robust governance framework. This instils in our stakeholders trust and confidence that GBN is set up to enable strong oversight and strategic direction over GBN's important mission, and its use of public funds. This has therefore been a major workstream and priority to enable us to develop and strengthen our governance approach during our maiden financial year.

We held our first GBN Board meeting in June 2023, at which time my colleagues on the Board were GBN's CEO Gwen-Parry-Jones OBE and two Shareholder-Directors representing the Department for Energy Security & Net Zero (DESNZ). Shortly before that meeting, we brought in an expert Governance & Secretariat adviser to help design and develop GBN's governance framework and implement a high-standard professional approach to Board meeting planning and support, quality of meeting papers, secretariat procedures and training for Board members on our Directors' duties.

Some of the key structural governance milestones achieved during the year, that you can read more about in the pages that follow, include: the issue by DESNZ of a Framework Document for GBN; the adoption of our Board Governance Document (Board Charter); the establishment of our principal Board Committees; the designation of the Company as Great British Nuclear under the Energy Act 2023 to provide the Company with its statutory purpose; the implementation of a Board Code of Conduct and Directors' Interests policy and procedure; the design and roll-out of Board and Committee reporting templates, and the procurement of an electronic board portal for secure distribution and annotation of our Board packs.

Board meetings have been held monthly throughout the year with a full programme of agenda items covering leadership updates, financial reporting, programme topics, legal and governance items, risk and strategy discussions. We also held our first dedicated Board strategy day in December 2023. Where necessary we have also convened extraordinary meetings to deal with urgent matters arising.

In November 2023, we were pleased to officially welcome three independent Non-Executive Directors to the Board: Dr Tim Stone CBE, Mark Russell CBE and Susan Jee. A fourth Non-Executive Director, Gareth Price, was appointed more recently in August 2024. You can read their respective biographies later in this report.

“a robust governance framework...instils in our stakeholders trust and confidence that GBN is set up to enable strong oversight and strategic direction over GBN’s important mission”

Such appointments have provided breadth and depth of relevant skills and experience to enable robust oversight and constructive challenge over GBN’s activities to date.

A representative from Agilia, one of DESNZ/ GBN’s principal programme advisers (sub-contracted through Deloitte), routinely attends Board meetings as an adviser to me as the Board Chair to provide additional major programmes expertise and advice to support Board discussions.

We were delighted to be asked in late 2023 to support the Women in Nuclear network’s Non-Executive Director programme (WiN-NED) by inviting one of its programme delegates, Eleri Joyce, to participate in GBN Board meetings during 2024. This programme gives high-potential females in the nuclear industry the opportunity to gain Boardroom experience to position them for future NED roles. Eleri has brought valuable perspectives and diversity of gender, age, skills and experience to support our boardroom discussions.

Shortly after the end of the financial year, we undertook our first Board effectiveness review facilitated by our external Governance & Secretariat Adviser and interim Deputy Company Secretary. I was pleased overall with the findings, and the Board agreed to adopt the recommendations for improvement highlighted by the review. You can read more on this later in this Governance Report.

Looking forward, our governance work continues as a high priority as we turn our attention to ensuring our corporate governance framework design aligns optimally with (1) programme governance requirements as we move into future phases and (2) the governance arrangements to be put in place regarding oversight of the activities of the SMR project development companies (DevCos) that will be established in due course.

I am grateful for the excellent support, contribution and commitment of all Board members and participants in our meetings. I look forward to this continuing as we work together to further strengthen and optimise our governance arrangements for the benefit of the Company, the nuclear programme, and all of our stakeholders.



Simon Bowen FREng
Chair

Our Board of Directors

All the current Directors of the Company, whose details are below, held office on the Company's Board of Directors for part or all of the financial year 1 April 2023 to 31 March 2024, with the exception of Gareth Price who was appointed on 29 August 2024.

Declan Burke, a former Director of the Company who was appointed by DESNZ to the Board on 13 January 2023, resigned on 20 July 2023 to take up another role.

Simon Bowen FEng

*Chair of the GBN Board
Projects & Programmes Committee Chair*

Appointed: 29 March 2023

Current term expires: 28 March 2025

Skills and experience: Simon started his career as an engineering officer in the Royal Navy serving on submarines. He has extensive experience in the petrochemicals, renewables, civil nuclear and defence nuclear sectors. Simon joined Babcock International in 2015 where he was Chief Executive for Nuclear responsible for the Cavendish Nuclear business and the defence nuclear portfolio providing naval base services and submarine maintenance at Devonport, Clyde and Rosyth. Simon played a key role in the development of the Nuclear Sector Deal agreed in 2018 as part of the previous government's Industrial Strategy. He retired from Babcock in December 2021. In May 2022, Simon was appointed as the UK government's Industry Adviser to lead the 'sprint' phase of GBN in scoping, reporting and providing recommendations on the strategy and key steps needed to rebuild the UK's generating nuclear capacity.

External appointments:

Chair, Devonport Royal Dockyard Limited
Council Member, Royal National Lifeboat Institution

Gwen Parry-Jones OBE FEng

*Chief Executive Officer
Accounting Officer for SMR Programme*

Appointed: 1 May 2023

Current term expires: 30 April 2025

Skills and experience: Gwen was previously CEO at Nuclear Restoration Services Limited (formerly Magnox Ltd). She started her career in 1989 as a reactor physicist at Wylfa nuclear power station. During the 1990s Gwen took up several management positions at British Energy and then EDF Energy, in the UK and Canada. During her time at EDF Energy, Gwen was awarded an OBE for services to science and technology. She was the first female to hold the positions of plant director (Sizewell B) and Station Director (Heysham 1) at a UK nuclear power station. Gwen was the Executive Director of Operations Development at Horizon Nuclear Power before joining Magnox in 2019.

External appointments:

Director, Past President and Honorary Fellow of The Nuclear Institute

The Board composition by gender as at 31 March 2024 was 28.5% female (2 out of 7 Directors) and 71.4% male (5 out of 7 Directors). As at the date of this report, the composition is 25% female (2 out of 8 Directors) and 75% male (6 out of 8 directors). The Board recognises the importance of diversity in enabling effective, rounded decisions and this will remain a key consideration through the relevant Whitehall selection and approval processes as Board membership is refreshed.

Hugo Robson CBE

DESNZ representative Non-Executive Director

Appointed: 27 February 2018*

No fixed term of appointment

* Appointed to the Board in 2018 to oversee residual matters of the wound-down legacy British Nuclear Fuels business that previously operated through the Company.

Skills and experience: Hugo is Chief Negotiator at DESNZ. He entered the UK Civil Service in 2003 as a Director of the Shareholder Executive (now UKGI). In 2008 he was appointed Corporate Finance Director at the Royal Mail and then Commercial Director at the Department of Energy and Climate Change. Prior to joining the Civil Service Hugo was a Managing Director at ABN Amro. Hugo was awarded a CBE in 2017 for services to the security of low-carbon electricity.

External appointments:

Non-Executive Director, OneWeb Holdings Limited

Non-Executive Director, British Technology Investments Limited

John Staples

DESNZ representative Non-Executive Director

Appointed: 31 August 2023

No fixed term of appointment

Skills and experience: John is Director for Advanced Nuclear Strategy and Fusion Energy at DESNZ, responsible for UK policy regarding fusion energy and advanced nuclear technologies. Previously, John was Director for Net Zero Strategy, leading the team responsible for ensuring the UK government meets its decarbonisation targets. Prior to that he worked in HM Treasury for over a decade in a range of senior roles. His work there included setting up the UK Infrastructure Bank and developing the UK's National Infrastructure Strategy.

External appointments:

Non-Executive Director, UK Industrial Fusion Solutions Ltd

Dr Timothy Stone CBE

Independent Non-Executive Director

Appointed: 3 November 2023

Current term expires: 27 April 2025

Skills and experience: Tim has been Chair of Nuclear Risk Insurers since 2015, and Chair of the UK's Nuclear Industry Association since December 2018. A senior corporate advisor across the energy and infrastructure sectors, Tim stepped down from the European Investment Bank in 2018 as its longest serving Board Member, having been appointed by the British government in 2003. Tim was Chairman and Founder of KPMG's Global Infrastructure and Projects Group, and is a prominent expert on energy and civil nuclear. He previously held the role of expert Chair of the Office for Nuclear Development in the former UK Department for Energy & Climate Change. Tim has also served as a Senior Advisor to five UK Secretaries of State responsible for energy over seven years. Tim was awarded a CBE in 2010 for services to the energy industry, and awarded the Hinton Prize by The Nuclear Institute in 2018 for outstanding contributions to the nuclear industry.

External appointments:

Chair, Nuclear Risk Insurers Limited
Chair, Nuclear Industry Association

Susan Jee

*Independent Non-Executive Director
Audit & Risk Committee Chair*

Appointed: 3 November 2023

Current term expires: 31 May 2025

Skills and experience: Susan is a very experienced audit committee chair and finance director, latterly as Group Finance Director of British Nuclear Fuels (BNFL) which, at its peak, was a £3 billion turnover group. Between 2003 and 2009 she worked closely with HM Treasury, the Shareholder Executive and financial advisers to release shareholder value from the BNFL group through a series of business sales and BNFL group's subsequent wind down. She has continued to advise the Shareholder Executive on the management and final closure of the residual BNFL entities. Susan is the Chair of Magnox Electric Group Pension Trustee Company and Babcock Pension Trust and was until October 2024 a Non-Executive Director and the Audit & Risk Committee Chair of Nuclear Restoration Services Limited (formally Magnox Limited) having joined its Board in 2012. Susan was Chair of The Vernon Building Society until stepping down in December 2023.

External appointments:

Non-Executive Director, Nuclear Restoration Services Limited
Chair, Magnox Electric Group Pension Trustee Company
Chair, Babcock Pension Trust

Mark Russell CBE

*Independent Non-Executive Director
Nominations & Remuneration Committee Chair*

Appointed: 3 November 2023

Current term expires: 31 May 2025

Skills and experience: Mark was appointed Chair of Angel Trains in February 2021, and has been Chair of DE&S, the procurement organisation of the Ministry of Defence, since November 2019. Mark joined the Shareholder Executive (the predecessor body to UK Government Investments (UKGI)) as head of its Corporate Finance Practice in November 2004 and was appointed as Deputy Chief Executive in April 2008, then Chief Executive in April 2013. He went on to become Vice Chair and a Senior Adviser at UKGI in November 2019. Previously, Mark was a partner in the corporate finance departments of KPMG London and KPMG Frankfurt. Prior to this Mark worked at PwC Corporate Finance and Robert Fleming & Co., Lazard Brothers and A.T. Kearney. Mark was awarded a CBE in 2018 for services to business and the economy.

External appointments:

Chair, Defence Equipment & Support (DE&S)
Chair, Angel Trains
Non-Executive Director, National Gas Transmission plc

Gareth Price

Independent Non-Executive Director

Appointed: 29 August 2024

Current term expires: 10 April 2025

Skills and experience: Gareth was formerly the Global Managing Partner of Allen & Overy, the Magic Circle law firm, before stepping down in July 2023 after playing a lead role in negotiations for the merger of the firm with Shearman & Sterling. Gareth spent 30 years with Allen & Overy after joining as a trainee, and later working in the firm's projects practice where he made partner in 2003. Gareth went on to become global head of the firm's energy and infrastructure projects practice, and in 2020 was elected as the firm's Managing Partner.

External appointments:

Senior Adviser, P3P Partners LLP

Women in Nuclear - Non-Executive Director Programme

From January 2024 the Board welcomed Eleri Wyn Joyce to the GBN boardroom as a participant in Women in Nuclear UK's Non-Executive Director (NED) programme. GBN was one of the first organisations to pilot the programme, as a proud signatory to WiN UK's Charter pledging a commitment to diversity across the nuclear sector. The programme offers high-potential females in the nuclear industry a supportive boardroom experience to nurture skills that will develop the participant's candidacy for non-executive roles within the nuclear industry in the future.



"This has been an invaluable experience working alongside, and learning from, some of our top industry leaders, as they tackle the challenges and exciting opportunities of GBN's early development. This has provided me with a solid platform to support a future transition from an Executive into a NED role."

-Eleri Wyn Joyce

OUR GOVERNANCE FRAMEWORK

GBN's legal and constitutional basis of establishment

- GBN is a private limited company registered in England & Wales (company number 05027024), whose shares are owned by the Secretary of State for Energy Security & Net Zero (SoS)¹.
- GBN has been economically classified by the Office for National Statistics as part of the public sector for the purpose of producing national accounts.
- GBN has been administratively classified by the Cabinet Office as a Non-Departmental Public Body (NDPB) i.e. a type of arm's length body (ALB) which has a role in the processes of national government, but that is not a government department and operates at arm's length from Ministers.
- DESNZ is the Sponsoring Authority for GBN as an ALB. A senior sponsor with a supporting sponsorship team has been established within DESNZ to deliver an effective relationship between DESNZ and GBN in operating as an efficient and effective outcome delivery system.
- GBN has been the subject of a statutory designation from the SoS under the Energy Act 2023, which provides GBN with its statutory objects (purpose) as follows:

Great British Nuclear's objects are to facilitate the design, construction, commissioning and operation of nuclear energy generation projects for the purpose of furthering any policies published by His Majesty's Government.

- As an NDPB, GBN operates within a strategic framework set by Ministers. GBN's purpose, responsibilities and strategic objectives are articulated by DESNZ in:
 - the DESNZ Framework Document for Great British Nuclear (the Framework Document), which was issued to GBN in July 2023;
 - the annual mandate letter from SoS to the GBN Board Chair (the Chair mandate letter), that takes account of priorities for the year ahead; and
 - the annual mandate letter from the DESNZ Director General to the GBN Chief Executive Officer (the CEO mandate letter), that takes account of priorities for the year ahead.
- In January 2024, the Company disposed of its two inactive subsidiaries British Nuclear Group Limited and BNFL (Investments US) Limited to SoS for a nominal value. These entities were part of the legacy British Nuclear Fuels group and not related to GBN's forward activities and mission. As of the date of this report, the Company has no subsidiaries, and has no branches outside the UK.
- Based on GBN's current mandate, GBN has delivered to DESNZ a Strategic Plan and Business Plan to define how GBN will deliver the nuclear programme in support of DESNZ's policy objectives.

¹ Of the 50,000 issued ordinary shares in the capital of GBN, DESNZ holds 49,999 ordinary shares and The Treasury Solicitor holds 1 ordinary share.

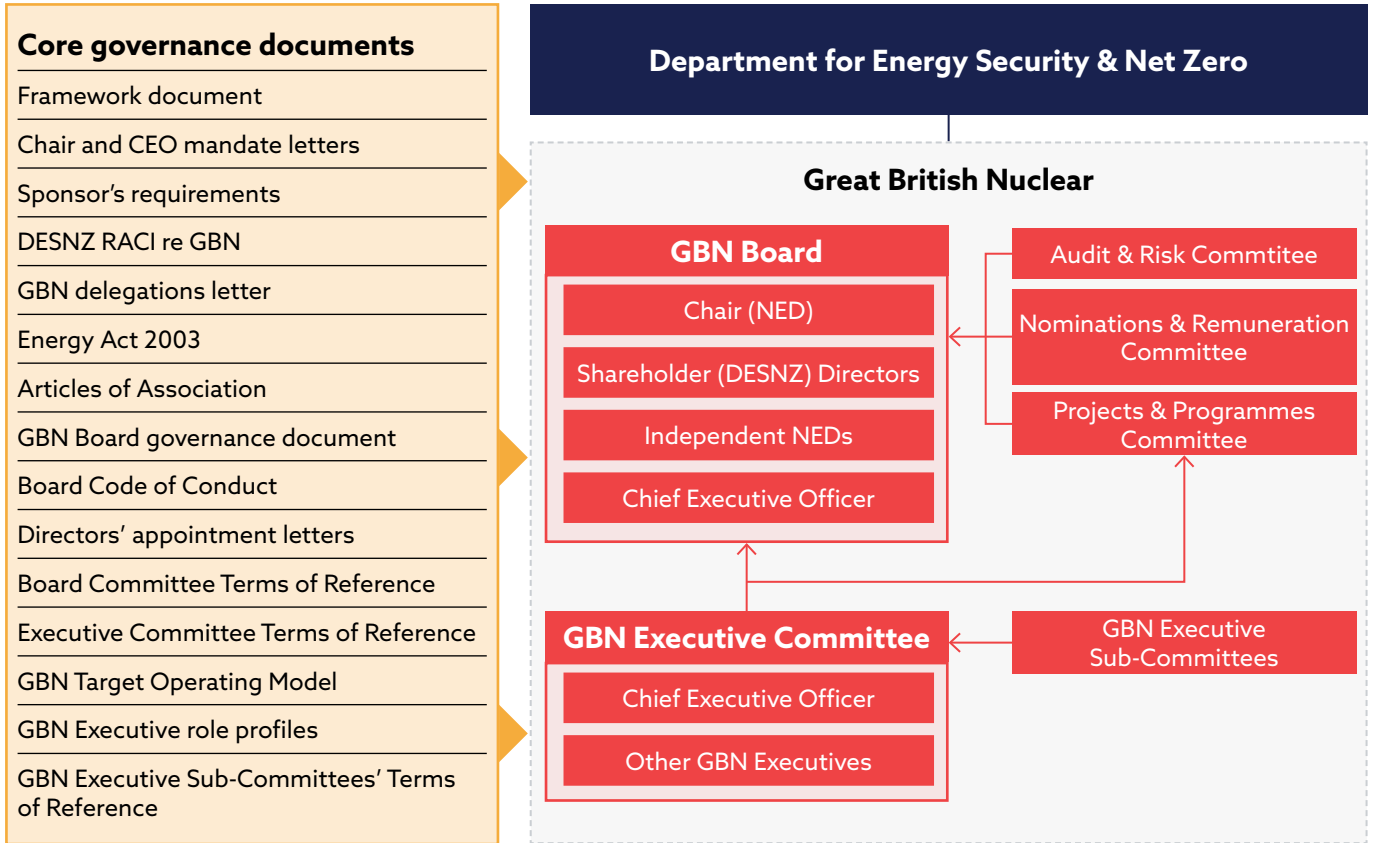


Figure 4 - GBN's governance framework

Governance Framework Documents

GBN's governance framework is principally articulated in three core documents:

- The Company's Articles of Association (constitution) that were updated in April 2023 in recognition of the repurposing of the Company as Great British Nuclear;
- The Framework Document for GBN issued by DESNZ in July 2023 that describes the expectations and governance requirements as between DESNZ and GBN; and
- GBN's Board Governance Document that serves as our Board charter and operating manual. This was approved and adopted by the Board in July 2023. You can find this document on GBN's webpages.

Together these documents set out such matters as:

- The responsibilities and duties of DESNZ, the Board and Board members;
- Membership and composition of the Board;
- Matters reserved to the Shareholder, and to the Board, for decision;
- Reporting obligations;
- Meeting protocols; and
- Board evaluation requirements.

Each of these documents is kept under review and all are expected to be subject to an update in the 2024-25 financial year. Key features of the governance framework are described in this Governance Report below.

Governance by DESNZ over the Company and our relationship with our shareholder

The Secretary of State for Energy Security & Net Zero (SoS), as GBN's shareholder, is accountable to Parliament for the activities and performance of the Company. DESNZ, as the Company's ALB Sponsoring Organisation, has a responsibility and duty on behalf of the SoS to exercise supportive governance oversight and receive assurance over GBN's activities and performance. The Framework Document sets out the basis of the relationship between DESNZ and the Company, including the role of the Sponsorship Team, reporting requirements, role and responsibilities of the Board Chair, the Board and the CEO (including as Accounting Officer for safeguarding the public funds for which they have charge), as well as setting out other expectations for areas of management, financial responsibilities, controls, business plans, financial reporting, management information and audit.

The principal way that governance oversight is exercised by DESNZ over GBN is through regular scheduled review meetings, including:

- SoS and/or junior Minister with the GBN Board Chair
- DESNZ Permanent Secretary with the GBN Board Chair and/or GBN CEO
- DESNZ Director General with the GBN CEO
- Quarterly performance and governance review meetings
- Regular meetings between the Senior Sponsor and members of the Sponsorship Team with members of the GBN Executive team

GBN develops a Business Plan every year covering at least 3 years of forward activity which is endorsed by the GBN Board and submitted to DESNZ for approval. Progress against the agreed Business Plan (and against any agreed KPIs) is then reported to GBN



Board and to DESNZ for review at the quarterly performance and governance review meetings referred to above.

In addition to DESNZ's governance of GBN in DESNZ's capacity as (1) shareholder and (2) GBN's Sponsoring Authority, DESNZ has appointed two of its senior civil servants as Non-Executive 'Shareholder Directors' on the GBN Board. The role of a Shareholder Director is described in this Governance Report below.

Governance by GBN Board over GBN executive management activities

As a limited company, GBN has a Board of Directors. The Board's role is to promote the long-term sustainable success of GBN, generating and preserving value for the Shareholder and UK taxpayers and in doing so contributing to wider society. The Board, as the highest-level decision-making forum within GBN, has accountability to our Shareholder for overseeing the entirety of GBN's activities and operations, including the SMR Programme, supported as appropriate by its Committees.

The Board's specific responsibilities include:

- establishing and taking forward the strategic aims and objectives of GBN consistent with its overall strategic direction and within the policy and resources framework determined by DESNZ Ministers
- providing effective leadership of GBN within a framework of prudent and effective controls which enables risk to be assessed and managed
- ensuring the financial and human resources are in place for GBN to meet its objectives
- reviewing management performance
- ensuring that the Board receives and reviews regular financial and management information concerning the management of GBN

- ensuring that it is kept informed of any changes which are likely to impact on the strategic direction of GBN's Board or on the attainability of its targets, and determining the steps needed to deal with such changes
- ensuring that any statutory or administrative requirements for the use of public funds are complied with

The Board's full responsibilities and the matters reserved to the Board are set out in GBN's Board Governance Document.

In addition to the matters reserved to the Board, the Board's general powers are set out in GBN's Articles of Association.

Our Board Committees

In Autumn 2023, with three independent Non-Executive Directors being appointed, the Board established and delegated responsibility for certain matters to two new Committees: the Audit & Risk Committee and the Nominations & Remuneration Committee. Each of these Committees' membership is comprised exclusively of Non-Executive Directors.

Each Committee acts on behalf of the Board in undertaking its delegated responsibilities, and this allows for dedicated time, focus and expertise to be applied on key matters. The Board is responsible for supporting its Committees to ensure that sufficient resources are in place to undertake the required duties. The Chair of each Committee reports to the Board on the key discussion items, activities and recommendations arising from each of the Committee's meetings.

You can read about the composition, purpose and early work of these Committees later in this report.

In addition to these Committees, a Programme Advisory Group was also set-up in Autumn 2023 as an informal forum to allow GBN Executives to obtain the views, ideas and feedback of the Non-Executive Directors on specific topics related to the SMR Programme. Since the end of the financial year the Board has taken the step of evolving this forum into a more formal

Board Projects & Programmes Committee, whose work will be described in the next Annual Report. This Committee brings additional scrutiny and oversight of GBN's programme-related activities so that it may provide assurance and recommendations to the Board, together with offering strategic guidance to the Executive team. The Committee is supported by external advisers who bring additional expertise in major infrastructure projects.

Terms of reference for each of the Board Committees are in place that are kept under regular review by the Board and updated as required.

Role of the Board Chair

DESNZ appointed Simon Bowen FREng as GBN Board Chair on 29 March 2023. The Chair was independent upon appointment when assessed against the circumstances set out in the UK Corporate Governance Code 2018 (the Code). The Chair is a Non-Executive Director responsible for the leadership of the Board and providing support and challenge to the CEO and management team in accordance with the Chair's responsibilities set out in the Framework Document, the Chair's appointment letter and the Chair's mandate letter issued annually by the Secretary of State. In particular, the Chair is responsible for:

- formulating the Board's strategy;
- ensuring that the Board, in reaching decisions, takes proper account of guidance provided by the responsible Minister or DESNZ;
- promoting the efficient and effective use of staff and other resources;
- delivering high standards of regularity and propriety;
- representing the views of the Board to the general public; and
- ensuring that the Board is working effectively and has a balance of skills appropriate to directing GBN's business.

Role of the Independent Non-Executive Directors (NEDs)

The NEDs provide constructive challenge, help develop proposals on strategy and policy, offer strategic guidance and specialist advice, help to assess risks and opportunities, and hold management to account by assessing management performance against agreed goals and objectives and monitoring how those goals are reported.

The independent NEDs on the Board are Individuals appointed by DESNZ who are external to GBN, but who support the Chair in bringing outside experience, perspective and ideas to the Board and who are chosen for their ability to contribute to GBN's governance, strategic development and programme oversight. These individuals are determined by the Board to be independent by reference to the tests set out in the Code.

The Board has decided not to appoint a Senior Independent Director (SID) from its Independent NEDs. The role of the SID is described in the Code as providing a sounding board for the Chair and an intermediary for the other directors and shareholders. However, the Board considers this role is not necessary at GBN at the current time because:

- Each of the NEDs provides a sounding board for the Chair;
- In cases where the Chair has a potential conflict of interest or is absent, one of the Independent NEDs would be asked to chair the relevant meeting (or part of it);
- The presence of the Shareholder Directors already presents an intermediary route between the Shareholder and the Chair; and
- There are no institutional, retail or other shareholders to engage with (as compared to a listed company).

Role of the Shareholder Directors

The Shareholder has nominated two senior employees of DESNZ that the Board has appointed as NEDs, each to represent the Shareholder on the Board in acting as a Shareholder Director in accordance with the Framework Document. The role of a Shareholder Director is broadly the same as for the Independent NEDs, with the addition of supporting the Chair in ensuring the Board and the Shareholder are aware of each other's views, or likely views, including attending meetings with members of the Shareholder's sponsorship team to obtain or relay such views where necessary. The Shareholder Directors are not deemed to be independent by reference to the tests set out in the Code due to representing, and being employed by, the Shareholder.

Role of the CEO

The CEO is responsible for the day-to-day leadership, operations and management of GBN, reporting to the Board Chair.

The CEO has been designated by the DESNZ Principal Accounting Officer (PAO) for GBN as GBN's Accounting Officer (AO) in respect of public funds allocated to GBN. The AO role carries personal duties and accountability to Parliament to manage the organisation efficiently and effectively, and to ensure business activities meet essential standards for handling and safeguarding public funds as set out in Managing Public Money. This includes ensuring propriety, regularity, value for money and feasibility in the handling of those public funds.

The Board has delegated to the CEO (but not to the exclusion of its own powers, authorities and discretions) all its powers, authorities and discretions except for:

- matters that the Board specifically reserves to itself from time to time, including those matters specified for Board approval in GBN's scheme of delegations; and

- the matters delegated to the Board's Committees or sub-committees.

The CEO has in turn delegated certain powers, authorities and discretions to other members of the Executive Committee and senior management (but not to the exclusion of the CEO's own powers, authorities and discretions), as specified in GBN's scheme of delegations.

Relationship between the Chair and the CEO

The roles of Chair and CEO are exercised by different individuals. The Chair is responsible for the leadership of the Board and providing support and challenge to the CEO and management team. The CEO is responsible for the day-to-day leadership, operations and management of GBN.

The two roles are complementary. The Chair and the CEO ensure that each is appropriately informed of the other's current areas of activity, and they seek to work closely together as a team. The success of their relationship is based on mutual respect and trust, frankness and openness, with problem areas addressed early. The Chair and CEO agree on their respective roles in setting major tasks, taking new initiatives and addressing major challenges.

Role of the GBN Executive Committee

The GBN CEO has established an Executive Committee to oversee, at Executive level, GBN's overall performance and delivery and to assist the CEO in making decisions to discharge her responsibilities both as GBN CEO and as Accounting Officer. The Executive Committee is comprised of GBN's most senior functional and business heads (predominantly the GBN CEO's first line reports). It focuses at company/enterprise level on strategic, operational and functional leadership, management and direction, ensuring the most effective prioritisation of resources.

Terms of reference for the Executive Committee have been approved and adopted.

Adherence to the UK Corporate Governance Code 2018 (the Code)

GBN, as a private company limited by shares, is not within the applicable remit of the Code, which is primarily designed for public limited companies whose securities are listed on a stock exchange. However, as is common for Arms' Length Body companies of Government Departments, the DESNZ Framework Document for GBN requires that GBN should:

"comply with the principles and provisions of the...Code...to the extent appropriate to Great British Nuclear, or specify and explain any non-compliance in its annual report".

The Board considers that GBN is compliant with the principles and provisions of the Code, except as set out and explained in the following table. These exceptions arise because of GBN's small size, government ownership or because of usual public sector governance requirements applied by DESNZ. The Board is comfortable with this position in the context of GBN being a start-up organisation owned by a government department.

Code Provision (summary)	Explanation
<p>5: Methods for engagement with the workforce:</p> <ul style="list-style-type: none"> • a director appointed from the workforce; • a formal workforce advisory panel; or • a designated non-executive director. 	<p>GBN has a small (<200 people) interim workforce comprised mostly of contractors and secondees, so disproportionate to adopt one of the three suggested methods for workforce engagement. Views and issues arising from or related to the workforce get fed into the Board via regular reports from the CEO, which is effective.</p>
<p>12: Appointment of senior independent director (SID)</p>	<p>Board has concluded that there is no necessity for a SID role when (a) no outside shareholders, (b) Shareholder Directors provide a route between GBN and the Shareholder (c) one of the independent NEDs acts as Deputy Chair, and (d) Chair's performance and remuneration assessed by DESNZ. See comments in Governance Report above about the SID.</p>
<p>20: Open advertising and/or an external search consultancy to be used for appointment of the Chair and NEDs</p>	<p>DESNZ, rather than GBN, selects and appoints the Chair and NEDs, subject to Whitehall approvals</p>
<p>32: All remuneration committee members should be independent NEDs</p>	<p>GBN has a combined Nominations & Remuneration Committee, whose members are:</p> <ul style="list-style-type: none"> - an independent NED as Committee Chair - a 'quasi-independent' DESNZ-appointed NED and - the Board Chair (independent on appointment). <p>All are considered sufficiently independent from the Executive team for the purposes of the Committee's work.</p>
<p>33: Remuneration committee to have delegated responsibility for determining executive director remuneration policy and setting remuneration for the Chair and executive directors and senior management</p> <p>40: Factors for remuneration committee to address when determining executive director remuneration policy</p>	<p>Director Remuneration (policy and packages) is a matter for DESNZ to approve, subject to Whitehall controls and approvals.</p>
<p>36: Remuneration schemes should promote long-term shareholdings by executive directors</p>	<p>Not applicable to GBN as a public-sector owned entity with no employee/director share ownership scheme</p>

The work of the Board

The focus of the Board during the year was on overseeing: the early development of the SMR technology competition, leading to the launch of the Invitation to Submit Initial Tender (ISIT); resourcing plans against programme timeline requirements; the development of the broader SMR programme; the early-stage set-up and structuring of GBN including its governance arrangements and disposal of the Company's two legacy subsidiary companies; and the strategy for acquisition of sites to support new nuclear. As well as considering strategy topics throughout the year, the Board held a dedicated strategy session in December 2023 where it engaged with members of the Executive team to consider GBN's future role in the broader UK nuclear programme, the enablers that would be needed to support a successful programme, and GBN's desired culture supported by the GBN values.

Looking forward

Since the end of the financial year to 31 March 2024, the Board has continued to oversee progress on the SMR technology provider procurement, including the down-selection from six to four vendors in July 2024, and the entering into of the negotiation phase in November 2024. The Board has also supported the GBN programme team with overseeing planning and design work for the future phases of the SMR programme and the capabilities that will be needed. In the period ahead, the Board looks forward to working with DESNZ and the Executive team on the further development of these activities towards a successful outcome and the future launch of individual SMR projects, as well as developing GBN's role in advising on and enabling delivery of the wider nuclear programme. We will support the Executive team in meeting the challenges of moving to its target operating model, organisational design and functional maturity as it recruits and establishes a stable base of permanent employees to drive GBN's strategy and operations forward.

Board skills and experience

The composition, experience and balance of skills on the Board are regularly reviewed to ensure that there is the right mix on the Board and its Committees, and they are working effectively. The current members of the Board have a wide range of skills and experience of relevance to GBN's mission, and are supported by external advisers where additional expertise is valuable to aid discussions and decision-making.

DESNZ has been responsible for the recruitment, selection and appointment of the Chair, all NEDs and the CEO, subject to Whitehall approvals. The Board formalises each appointment.

Board effectiveness review

The Board is required to undertake an annual review of its effectiveness, in accordance with its commitment in the Framework Document issued by DESNZ to comply, to the extent appropriate, with the principles and provisions of the Code.

Review Process

Since the GBN Board held its first Board meeting only in June 2023, with independent Non-Executive Directors joining the Board only in November 2023, it was decided and agreed with DESNZ that this year's effectiveness evaluation would be conducted by way of an internal review. Although internal, the review was undertaken with a degree of independence and objectivity through the involvement of GBN's external Governance & Secretariat Adviser, and the fact that the interviews were conducted by the interim Deputy Company Secretary who had not attended any GBN Board meetings.

The steps taken were as follows:



Figure 5 - Board effectiveness review process

Insights

The feedback from the Directors was positive throughout their responses to the evaluation. Views were provided on: composition and dynamics; skills, capabilities and competencies; support and challenge; atmosphere in the Boardroom; the support the Board receives; strategic focus; risk management and oversight; stakeholder engagement; and any priorities for change.

The Chair was considered to have built and maintained strong relationships with the CEO and NEDs. He was also thought to be very good at drawing out and listening to individual views from all Directors in the room. Board members value the Chair’s knowledge, accessibility and support.

Overall, the Board was found to be functioning well, with a high level of commitment from all Directors. There are good personal relationships, amid a collegiate spirit, with a high degree of mutual respect. Directors feel able to share opinions and guidance and feel that they are heard. The agenda has been broad, and the focus applied by the Board Committees has complemented the Board agenda to enable the Board to cover its key areas.

Recommendations made to improve an already well-functioning and effective Board included:

- continue to optimise ways of working between the Board and Executive team including outside of formal Board meetings;
- identify the Board skills needed to support GBN’s future activities to assist with Board succession planning;
- give more agenda time to the approach to stakeholder engagement;
- oversee the embedding of GBN’s values and desired culture;
- adapt from applying the greater degree of operational oversight needed during the early stages of the SMR programme to a more strategic oversight role; and
- some procedural improvements relating to Director inductions, Board papers and forward planning of meetings.

All recommendations were agreed by the Board for implementation, with the support of GBN Company Secretariat.

Chair’s and NEDs’ performance review

The Permanent Secretary conducts a formal annual performance review of the Chair against objectives set. The review includes feedback from the other GBN Directors, at the request of the Permanent Secretary.

The Chair holds an annual 1:1 discussion with each of the independent NEDs to provide feedback, reflect on the NED’s individual contributions to the work of the Board and its Committees during the year, and identify any areas for future focus.

Board and Committees attendance

The Board met 14 times during the year. Each of the two Board Committees met twice during the year. Attendance by members eligible to attend at Board and Committee meetings during the year is set out in the table below. All Board members have a right to attend Board Committee meetings, whether or not a member of such Committee, unless any such attendance would present an actual or potential conflict of interest. Representatives of GBN management and external advisers may also be invited to attend Board and Committee meetings.

	Board Meetings	Nominations & Remuneration Committee meetings	Audit & Risk Committee meetings
Simon Bowen FREng	(Board Chair) 14/14	1/2	-
Declan Burke	2/2	-	-
Susan Jee	7/7	-	(Committee Chair) 2/2
Gwen Parry-Jones OBE FREng	14/14	-	-
Hugo Robson CBE	13/14	2/2	-
Mark Russell CBE	6/7	(Committee Chair) 2/2	-
John Staples	9/10	-	2/2
Dr Timothy Stone CBE	7/7	-	1/2

All instances of non-attendance by members at eligible meetings were due to unavoidable pre-existing commitments or leave of absence outside the UK, where apologies were sent in advance. Some of these absences related to non-attendance at extraordinary meetings called on short notice. No Director missed more than one meeting that they were eligible to attend as a member during the year, and they received all Board papers with the opportunity to provide comments to the Board prior to the meeting.

Board induction

An induction process is in place for new Board members, which includes introductory meetings with the Chair, followed by briefings with the CEO, members of the Executive team and DESNZ stakeholders. Reference materials are made available via GBN’s electronic Board platform to support new Board members in understanding GBN’s context, strategy, risks, current issues and opportunities, allowing them to make a valuable contribution as soon as possible after appointment.

Directors’ and Officers’ liability insurance

GBN has taken out Directors’ and Officers’ liability insurance for the benefit of its Directors and other officers to provide cover against liabilities incurred by them arising from any claim against them alleging a wrongful act in the performance of their duties. Such insurance was obtained on commercial market terms and is subject to usual insurer exclusions and limitations.

Director indemnity provisions

Each of the DESNZ representative Non-Executive Directors who held office as a Director of the Company during the year benefits from an indemnity provided to him by DESNZ for any liability (as defined by DESNZ) incurred by him in connection with his actual or purported performance or exercise of (or failure to perform or exercise) his duties, responsibilities or powers as a member of the Board of Directors provided that the liability does not arise from any wilful default, bad faith or wilful breach of statutory duty on his part. Each Director of the Company also benefits from a standard indemnity in the Company’s articles of association for any liability incurred for negligence, default, breach of duty or breach of trust in relation to the affairs of the Company.

Political donations and expenditure

The Company did not during the year make any political donation to any political party, other political organisation or independent election candidate and did not incur any political expenditure.

Board Code of Conduct and conflicts of interest procedures

To support the long-term success of the Company, the Board seeks to uphold the seven key principles of public life (the Nolan Principles): selflessness, integrity, objectivity, accountability, openness, honesty and leadership. This has been reinforced by the adoption of a GBN Board Code of Conduct based on the Nolan Principles.

All Board Members are required to declare, as soon as they arise, any personal or business interests which may influence their individual decisions and judgements in performing their role. The Chair and Board, with advice from Company Secretariat, consider whether any declared interest constitutes an actual or potential conflict and what, if any, steps are appropriate to manage this. This may include recusing the Director from any discussions and/or decision making related to the subject matter of the conflict and having their access to pertinent information restricted.

The GBN Company Secretariat team maintains GBN's Register of Directors' Interests and performs periodic checks to ensure that all relevant interests have been declared.

Disclosures in the Strategic Report

Certain information otherwise required to be disclosed in the Directors' Report has been presented in the Strategic Report:

- Particulars of important events which have occurred since the end of the financial year – page 22; and
- An indication of likely future developments in the business of the Company – pages 9 to 19.

Effectiveness of risk management and internal control systems

The Board, with the support of the Audit & Risk Committee, has assessed the effectiveness of the Company's risk management and internal control systems. These systems are designed to identify and manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable but not absolute assurance against material misstatement or loss. The Board's report on risk management and assurance, including the Company's Principal Risks and mitigating actions, is on pages 24 to 29. The Board has concluded that the risk management and internal control systems were effective to support the management and mitigation of risks during the year to 31 March 2024. The Board did not identify any significant failings of internal control during the year.

The Board recognises that GBN is a growing organisation that is starting to recruit its permanent workforce, and that its commercial activities are expected to increase as the SMR Programme develops. The continuing development of GBN's risk management and internal control systems has been, and will remain, a priority area of oversight for the Board and the Audit & Risk Committee, to ensure that these remain sufficiently mature when considered against GBN's growth and any changes in risk profile.

Going concern

DESNZ awarded budget funding commitments to GBN for its first and second years of operation, commensurate with a major infrastructure project and ALB start-up operation, for approved funds to allow GBN to meet its anticipated operational expenditure from 1 April 2023 up to 31 March 2025.

During the year, in performing its financial operations the Company has operated robust forecasting and cash management controls with regular financial reporting to DESNZ. Until any additional funding requests are approved by DESNZ, all Company operational expenditure is phased to match only the funding amounts agreed with DESNZ.

The original amount of funding from DESNZ for the financial year ending 31 March 2025 was uplifted by 10% in April 2024 in recognition of site characterisation work requirements for the two sites being acquired by the Company for the nuclear programme.

Following forecast expenditure requirements which were submitted to support the new government's initial Spending Review, at the time of signing of this Annual Report and Accounts the Company has received confirmation of an additional 30% allowed expenditure above the original amount of funding for the year ending 31 March 2025. This is to reflect increased spend resulting from the evolving scope and demands of the dynamic SMR programme against an ambitious timeline. This increases the total allowed expenditure for the year ending 31 March 2025 by 40% against the original funding award for the year.

It is acknowledged that the Company may make requests for additional funding beyond the amount of each agreed annual budgetary award, where considered necessary to support changes in the future needs of the SMR programme. Such requests would be made via the submission of supporting full business cases for review and approval under required processes.

As part of the Spending Review submissions made in September 2024, the Company has forecast expenditure requirements for the year ending 31 March 2026. At the time of signing these accounts, the budget for the year ending 31 March 2026 has not been approved. DESNZ has provided a letter of financial support to GBN dated 18 September 2024, valid until 31 March 2026. This letter provides assurance that DESNZ will provide financial support to assist GBN in meeting its liabilities as and when they fall due, to the extent that it is not able to meet such liabilities.

The financial statements have been prepared on the basis that the entity will continue as a going concern up until 31 March 2026. As part of our assessment, we have considered the Company's operational circumstances, including its ownership by His Majesty's Government and reliance on annual budget approvals. The entity holds cash and cash equivalents to the value of £338.5m as at the reporting date. The Company operates under a framework as an ALB where its financial sustainability is dependent on the receipt of budgetary allocations agreed with DESNZ and authorised by HMT. The Company is not authorised to spend more than what has been allocated and is able to submit additional funding requests should additional funding be required.

After considering the above facts, the Directors are of the view that the approved funding amount for the year ending 31 March 2025 along with the accompanying letter of financial support from DESNZ to 31 March 2026 will be sufficient for the Company to continue to operate as a going concern.

Statement of viability

As an arm's length body of a government department, GBN is entirely reliant on the provision of funding from DESNZ to meet the Company's forecast expenditure needs and is subject to the corresponding public sector budget approval processes.

The Board has assessed the prospects of the Company for the period to 31 March 2026. This period has been selected as appropriate as it matches the period of validity of the letter of financial support from DESNZ to GBN dated 18 September 2024 that provides assurance that DESNZ will provide financial support to assist GBN in meeting its liabilities as and when they fall due, to the extent that GBN is not able to meet such liabilities. This period aligns with the period used to assess whether the financial statements should be prepared on a going concern basis, as set out above.

Having considered: GBN's current budget allocation against its forecast expenditure; the Principal Risks that have been identified and how they are managed as set out on pages 26 to 29; the ability of the Company to adjust its expenditure in line with changes to its budget allocation; and the existence of the letter of financial support from DESNZ; the Board considers that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period to 31 March 2026.

Remuneration report

During the year the Company had no payrolled employees, and its workforce was comprised exclusively of secondees and contractors. The Company did not recruit any permanent employees during the year due to not having an agreed Pay & Reward Framework to enable this. Some secondees were provided to the Company without any reimbursement charge to GBN being made from the relevant secondees' employer organisation. The aggregate amount paid to such interim workers in the year was £3.737m, as set out in note 3 to the Financial Statements on page 73.

The remuneration of all persons who were Directors of the Company in the year was set by DESNZ in accordance with its remuneration policies. The aggregate of Directors' emoluments during the year was £253k as set out in note 5b to the Financial Statements on page 74. None of the Directors are currently, or were during the year ended 31 March 2024, members of a Company pension scheme. No amounts were receivable by the Directors in respect of long-term incentive schemes and no sums were paid to third parties for Directors' services during the current or prior period.



AUDIT & RISK COMMITTEE REPORT

Members:

Susan Jee (Committee Chair)

John Staples

Dr Timothy Stone CBE

Regular attendees:

Chief Executive Officer	Head of Risk
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Corporate Services Director	Audit Manager, GIAA (Internal Audit)
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General Counsel	Deputy Company Secretary
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Purpose

The Audit & Risk Committee supports the Board and the Accounting Officer by reviewing the comprehensiveness and reliability of assurances throughout the Company for risk management, assurance and internal controls.

The Committee oversees assurance on the Company's risk frameworks, internal and external audit outcomes and receives regular updates from the Company's internal and external auditors, including annual opinion reports. The Committee also reviews internal and external audit plans, advises the Board on accounting policies and challenges and monitors the annual reporting process including significant accounting judgments and recommends the accounts for approval by the Board.

The Committee meets quarterly or more frequently if required as matter arise.

Work of the Committee during the year

The Committee met twice in the year, with its first meeting in December 2023 and its second meeting in February 2024.

The Committee has considered the following matters at these meetings:

- Initial assessment (at first Committee meeting) of the internal controls environment covering financial controls, development of GBN's management system and policies, and the approach to risk management including reporting. This was followed up at the second meeting with a progress update on development of the systems of internal controls and risk management
- Review of the draft accounts of the Company for the period ended 31 March 2023, noting that there were some additional disclosures required due to moving to a going concern basis of preparation following the Company being repurposed for GBN
- Review of the Company's strategic risks and mitigations, with a probability and impact assessment
- Proposed appointment of an internal audit service, leading to GIAA's appointment as GBN's internal audit service early in the following financial year (2024/25)

Looking forward

In the period ahead, the Committee's work is expected to include review and oversight of: the further development and maturing of the company's risk management, internal controls and financial reporting systems; development of the relationship with the internal and external auditor, approval of audit plans; and permanent resourcing of GBN's risk, assurance, compliance and finance teams in line with GBN's target operating model and organisational design work.

NOMINATIONS & REMUNERATION COMMITTEE REPORT

Members:

Mark Russell (Committee Chair)

Simon Bowen

Hugo Robson

Regular attendees:

Chief Executive Officer

Chief People Officer

Company Secretary

Purpose

The remit of the Nominations & Remuneration Committee is to advise and make recommendations to the GBN Board Chair, the Board and (as required) to DESNZ on matters of Board membership, leadership, skills, experience and diversity, and remuneration topics including GBN's executive remuneration strategy and framework as well as annual pay awards and individual executive remuneration packages.

The Committee meets quarterly or more frequently if required as matters arise.

Work of the Committee during the year

The Committee met twice in the year, with its first meeting in February 2024 and its second meeting in March 2024.

The Committee has considered the following matters at these meetings:

- Application of GBN's Pay & Reward Framework and governance over Reward matters
- Risks in transition from interim to permanent workforce
- Recruitment of permanent Executive roles
- Remuneration and incentives design
- Contracts of Employment
- Corporate Incentive Targets for 2024/25
- Executive Objectives for 2024/25

Looking forward

Topics that the Committee expects to oversee and review in the period ahead include: the recruitment of GBN's permanent employee workforce within GBN's Pay and Reward Framework; implementation of GBN's target operating model and organisational design work; development of employee incentive plans; and support to Board succession planning.

STATEMENT OF DIRECTORS' AND ACCOUNTING OFFICER'S RESPONSIBILITIES

This Annual Report and Accounts comprises of the reports and accounts required to be sent to the Secretary of State pursuant to ss. 322(1) and 323(1) of the Energy Act 2023 in respect of the financial year ended 31 March 2024, that the Secretary of State must lay before Parliament.

The Board has ultimate responsibility for reviewing and approving the Annual Report and Accounts.

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable United Kingdom law and UK-adopted International Accounting Standards (UK IAS). As described on page 52, the financial statements have been prepared on a going concern basis. Full disclosure surrounding the preparation of the financial statements can be found in note 2a to the financial statements.

Under company law the Directors must not approve the financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Company for that period. In preparing the financial statements the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK IAS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state whether the Company has complied with UK IAS;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and

- make judgements and estimates that are reasonable and prudent.

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

Disclosure of information to auditor

As far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Each of the Directors has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Responsibility statement under the UK Corporate Governance Code 2018

Having considered and endorsed the preparatory and supporting arrangements and taken advice from the Audit & Risk Committee, The Board considers that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the Company's shareholders to assess the Company's position, performance, business model and strategy.

This Directors' Report, prepared in accordance with the requirements of the Companies Act 2006, was approved by the Board and signed on its behalf.

By order of the Board:



Gwen Parry-Jones OBE FREng
Chief Executive Officer and Accounting Officer
6 December 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GREAT BRITISH NUCLEAR

Opinion

We have audited the financial statements of Great British Nuclear for the year ended 31 March 2024 which comprise the Statement of comprehensive income, the Statement of financial position, Statement of cash flows, the Statement of changes in equity and the related notes 1 to 17, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2024 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period to 31 March 2026.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

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

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

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 56, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those relating to the reporting framework (UK adopted International Accounting Standards), the Companies Act 2006, and the relevant tax legislations and regulations in the UK.
- We understood how the Company is complying with those frameworks by making inquiries of management and corroborating these inquiries through review of board minutes and understanding the entity level control framework in place, such as code of conduct and Directors' governance procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override based on our risk assessment and inquiries of management.

- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria, reading minutes of board meetings held in the period, and corroborating our findings to external sources of information where relevant.

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

Use of our report

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

/s/ Bilal Raja (Senior Statutory Auditor)

Bilal Raja (Senior statutory auditor)
for and on behalf of
Ernst & Young LLP, Statutory Auditor
London

11 December 2024



GREAT BRITISH NUCLEAR

Established as an arm's length body of the Department for Energy Security and Low Carbon, GBN is 100% state owned and independent.

GBN brings the expertise of private industry and government together to accelerate the UK's nuclear programme.

Deliver **Enable** **Advise**

Services acquired for nuclear development

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FINANCIAL STATEMENTS

including notes to the Financial Statements



FINANCIAL STATEMENTS

including notes to the Financial Statements

Statement of comprehensive income

		Year ended 31 March 2024	Period ended 31 March 2023
	Note	£'000	£'000
Revenue		-	-
Operating costs and expenses	3	(22,171)	169
Operating (loss)/profit		(22,171)	169
Finance income	6	13,879	4,999
Finance costs	7	(4)	-
Net finance income		13,875	4,999
(Loss)/profit before income tax		(8,296)	5,168
Income tax expense	8	(3,470)	(110)
(Loss)/profit for the period attributable to the owners of the Company		(11,766)	5,058
Other comprehensive income for the period		-	-
Total comprehensive (loss)/income for the period attributable to the owners of the Company		(11,766)	5,058

The statement of comprehensive income has been prepared on a going concern basis for the year ended 31 March 2024 and as such the operations are considered to be continuing in respect of the current year and the prior period.

The notes on pages 66 to 82 form an integral part of these financial statements.

Statement of changes in equity

	Equity share capital £'000	Retained earnings* £'000	Attributable to the owners of the Company £'000
At 30 June 2022	50	337,887	337,937
Profit for the period	-	5,058	5,058
Total comprehensive income for the period		5,058	5,058
At 31 March 2023	50	342,945	342,995
Loss for the year	-	(11,766)	(11,766)
Total comprehensive loss for the year	-	(11,766)	(11,766)
At 31 March 2024	50	331,179	331,229

* Retained earnings – cumulative profit and loss less distributions to owners

Statement of financial position

Company's Registered No: 05027024

	Note	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
ASSETS			
Non-current assets			
Property, plant and equipment	9	171,126	-
		171,126	-
Current assets			
Investments	10	-	-
Trade and other receivables	11	1,946	547
Cash and cash equivalents	12	338,456	342,583
		340,402	343,130
Total assets		511,528	343,130
LIABILITIES			
Current liabilities			
Trade and other payables	13	179,822	135
Lease liabilities	14	172	-
		179,994	135
Non-current liabilities			
Lease liabilities	14	305	-
		305	-
Total liabilities		180,299	135
Net assets		331,229	342,995
Capital and reserves attributable to the owners of the Company			
Equity share capital	16	50	50
Retained earnings		331,179	342,945
Total equity		331,229	342,995

These financial statements were approved by the Board on 6 December 2024 and were signed on their behalf by:



Gwen Parry-Jones OBE FREng
Chief Executive Officer and Accounting Officer

Statement of cash flows

	Note	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Operating activities			
(Loss)/profit for the period		(11,766)	5,058
<i>Adjustments to reconcile (loss)/profit for the period to net cash flow from operating activities</i>			
Depreciation charge	3	34	-
Income tax expense	8	3,470	110
Finance income	6	(13,879)	(4,648)
Finance cost	7	4	-
Movement in provisions		-	(250)
Operating cash flows before movement in working capital		(22,137)	270
(Increase) in trade and other receivables		(189)	(362)
Increase in trade and other payables		20,869	-
Cash flow from operating activities		(1,457)	(92)
Income taxes paid		(1,778)	(919)
Net cash flow from operating activities		(3,235)	(1,011)
Investing activities			
Interest received		12,668	4,648
Purchases of property, plant and equipment		(13,528)	-
Net cash flow from investing activities		(860)	4,648
Financing activities			
Interest on lease liabilities	7	(4)	-
Repayment of lease liabilities		(28)	-
Net cash flow from financing activities		(32)	-
Net (decrease)/increase in cash and cash equivalents		(4,127)	3,637
Cash and cash equivalents at beginning of period	12	342,583	338,946
Cash and cash equivalents at end of period	12	338,456	342,583

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2024

1. Statutory information and authorisation of financial statements

Great British Nuclear (GBN) (formerly British Nuclear Fuels Limited) is a private company, limited by shares, domiciled in England and Wales, registration number 05027024. The registered office is Department for Energy Security & Net Zero (DESNZ), 3-8 Whitehall Place, London, SW1A 2EG.

GBN changed its accounting period from 30 June to 31 March in the prior period and as a result, the financial statements for the period ended 31 March 2023 are for a period of nine months. The Company has changed its accounting reference period to align with that of the Company's ultimate controlling party, His Majesty's Government.

The financial statements of Great British Nuclear for the year ended 31 March 2024 were authorised for issue by the Board of Directors and the statement of financial position was signed on the Board's behalf by Gwen Parry-Jones OBE FREng.

The principal accounting policies adopted by the Company are set out in note 2.

2. Accounting policies

a. Basis of preparation

These financial statements have been prepared under the historical cost convention.

The financial statements have been prepared in accordance with UK adopted International Accounting Standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The accounting policies which follow set out those policies which apply in preparing the financial statements of the Company for the year ended 31 March 2024.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The Directors are required to satisfy themselves that it is appropriate to prepare financial statements on a going concern basis.

DESNZ awarded budget funding commitments to GBN for its first and second years of operation, commensurate with a major infrastructure project and ALB start-up operation, for approved funds to allow GBN to meet its anticipated operational expenditure from 1 April 2023 up to 31 March 2025. During the year, in performing its financial operations the Company has operated robust forecasting and cash management controls with regular financial reporting to DESNZ. Until any additional funding requests are approved by DESNZ, all Company operational expenditure is phased to match only the funding amounts agreed with DESNZ. The original amount of funding from DESNZ for the financial year ending 31 March 2025 was uplifted by 10% in April 2024 in recognition of site characterisation work requirements for the two sites being acquired by the Company for the nuclear programme.

2. Accounting policies (cont.)

Following forecast expenditure requirements which were submitted to support the new government's initial Spending Review, at the time of signing of this Annual Report and Accounts the Company has received confirmation of an additional 30% allowed expenditure above the original amount of funding for the year ending 31 March 2025. This is to reflect increased spend resulting from the evolving scope and demands of the dynamic SMR programme against an ambitious timeline. This increases the total allowed expenditure for the year ending 31 March 2025 by 40% against the original funding award for the year.

It is acknowledged that the Company may make requests for additional funding beyond the amount of each agreed annual budgetary award, where considered necessary to support changes in the future needs of the SMR programme. Such requests would be made via the submission of supporting full business cases for review and approval under required processes.

As part of the Spending Review submissions made in September 2024, the Company has forecast expenditure requirements for the year ending 31 March 2026. At the time of signing these accounts, the budget for the year ending 31 March 2026 has not been approved. DESNZ has provided a letter of financial support to GBN dated 18 September 2024, valid until 31 March 2026. This letter provides assurance that DESNZ will provide financial support to assist GBN in meeting its liabilities as and when they fall due, to the extent that it is not able to meet such liabilities.

The financial statements have been prepared on the basis that the entity will continue as a going concern up until 31 March 2026. As part of our assessment, we have considered the Company's operational circumstances, including its ownership by His Majesty's Government and reliance on annual budget approvals. The entity holds cash and cash equivalents to the value of £338.5m as at the reporting date. The Company operates under a framework as an ALB where its financial sustainability is dependent on the receipt of budgetary allocations agreed with DESNZ and authorised by HMT. The Company is not authorised to spend more than what has been allocated and is able to submit additional funding requests should additional funding be required.

After considering the above facts, the Directors are of the view that the approved funding amount for the year ending 31 March 2025 along with the accompanying letter of financial support from DESNZ to 31 March 2026 will be sufficient for the Company to continue to operate as a going concern.

b. Changes in accounting policy and disclosure

There have been no new standards, amendments or interpretations issued and made effective for the financial period commencing 1 April 2023 that have had a material impact on the financial statements of the Company.

2. Accounting policies (cont.)

c. New standards and interpretations not applied

The IASB and IFRIC have issued a number of new standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Company's financial statements in the period of initial application. The standards not applied are as follows:

Title	Effective date annual periods beginning on or after
Effective for annual periods (and interim periods therein) ending 31 March 2024 and thereafter	
Classification of liabilities as current or non-current (Amendments to IAS 1)	1 January 2024
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)	1 January 2024
Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)	1 January 2024
Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures	1 January 2025
Annual Improvements to IFRS Accounting Standards – Amendments to:	1 January 2026
<ul style="list-style-type: none"> • IFRS 1 First-time Adoption of International Financial Reporting Standards; • IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; • IFRS 9 Financial Instruments; • IFRS 10 Consolidated Financial Statements; and • IAS 7 Statement of Cash flows 	
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures	To be determined

The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the Company prepares its financial statements in accordance with UK adopted International Accounting Standards, the application of new standards and interpretations will be subject to them having been endorsed for use in the UK. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the Company's discretion to early adopt standards. The Company has not early adopted any of the above standards.

The standards and interpretations noted in the table above are not expected to have a material impact on the financial position and performance of the Company or on the disclosure requirements of the Company.

2. Accounting policies (cont.)

d. Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the end of the reporting date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. It also requires management to exercise judgement in the process of applying the Company's accounting policies.

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

Fixed assets - land acquisition

At the year end, the Company has recognised two UK land sites at a cost of £170,589,000, inclusive of Stamp Duty Land Tax and Land Transaction Tax within fixed assets.

Contracts were exchanged between GBN and vendor(s) on 5 March 2024 together with a deposit transfer for each respective site to the total value of £13,500,000, funding of which was approved by GBN sponsoring government department, DESNZ. Completion was agreed and set by all interested parties as being no later than 28 June 2024, to allow the Company sufficient time to secure land management capability in the interim and also for material transaction consents to be legally assigned (lease) by the Nuclear Decommissioning Authority (NDA) prior to completion.

The Company concluded as a significant judgment that control of the fixed assets had transferred to the Company at the date of exchange. In concluding this the following considerations were made:

- the Company will receive future economic benefits from the land sites acquired;
- the cost of the land sites could be measured reliably by reference to the contracts at exchange;
- the Company had unlimited access to the land between exchange and completion to make beneficial use of the land for things such as land characterisation studies;
- the Company carried any risk associated with GBN activities taking place on the land sites during this time;
- the vendor was not able to do anything new on the land between exchange and completion without consent from the Company; and
- the only contractual termination right related to a change of control of the vendor which was deemed to be a very unlikely event within such a short time frame between exchange and completion.

Therefore, it was concluded that, whilst the legal completion of the purchase of the two land sites occurred after the financial year end on 28 June 2024, the Company was able to demonstrate it had control of the assets at the exchange of contracts and therefore recognised the land within fixed assets at the year end.

2. Accounting policies (cont.)

e. Plant, property and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the statement of financial position at their cost less accumulated depreciation and impairment losses (if any). Freehold land is not depreciated.

Leasehold improvements, fixtures, fittings and equipment are stated at cost less accumulated depreciation and any recognised impairment (if any).

Depreciation is charged so as to write off the cost of assets less their residual values, other than freehold land and assets under construction, over their estimated useful lives or in the event of right-of-use assets, over the shorter of the useful life of the underlying asset and the lease term, using the straight-line method, on the following basis:

Freehold Buildings	10 – 60 years
Leasehold Buildings	Limited to the period remaining on the lease
Fixtures, fittings and equipment	3.5 or 11 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the income statement.

f. Leases

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date

2. Accounting policies (cont.)

- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The Company did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

2. Accounting policies (cont.)

g. Investments

Investments comprise investments in subsidiaries. The carrying values of investments are reviewed for impairment if events or changes in circumstances indicate that a provision for impairment is required.

h. Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

i. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

j. Income taxes

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period in when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

k. Trade and other payables

Trade and other payables are not interest bearing and are stated at their nominal value.

3. Operating (loss)/profit

The (loss)/profit from operating activities before tax and net finance costs have been arrived at after charging/(crediting):

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Professional services and consultancy	16,333	-
Interim resource (contractors and secondees)	3,737	-
Depreciation charge	34	-
Release of provision ⁽ⁱ⁾	-	(169)

(i) During the period ended 31 March 2023, a remaining provision of £169,000 in respect of future running costs was released following a change in the basis of preparation of the financial statements for that period to a going concern basis.

4. Auditor's remuneration

The Company paid the following amounts to its auditor (disclosed below net of VAT) in respect of the audit services provided to the Company:

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Audit of the financial statements	38	10
Audit of subsidiaries	-	9
	38	19

5. Staff costs and Directors' emoluments

a. Staff costs

There were no employees during the current year or prior period.

b. Directors' emoluments

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Emoluments	253	-
Emoluments in respect of the highest paid Director	207	-

None of the Directors were members of a Company pension scheme during the current or prior period.

No amounts were receivable by the Directors in respect of long-term incentive schemes and no sums were paid to third parties for Directors' services during the current or prior period.

6. Finance income

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Interest on bank and short-term deposits	13,879	4,999

7. Finance cost

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Interest on lease liabilities	4	-

8. Taxation

a. Tax charged in the income statement

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Income statement		
Current income tax:		
UK corporation tax	3,470	110
Total current income tax	3,470	110
Tax charged in the income statement	3,470	110

b. Reconciliation of the total tax charge

The income tax expense in the income statement for the year is higher than the average rate of corporation tax in the UK of 25% (2023: is less than the average rate of corporation tax in the UK of 19%). The differences are reconciled below:

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
(Loss)/profit from continuing operations before taxation	(8,296)	5,168
Accounting (loss)/profit before income tax	(8,296)	5,168
Accounting (loss)/profit multiplied by the UK standard rate of corporation tax of 25% (2023: 19%)	(2,074)	982
Release of provision	-	(32)
Utilisation of provision costs	-	(15)
Over provision of income tax in respect of prior years	-	(825)
Unrecognised tax losses - see note 8c	5,544	-
Tax charged in the income statement	3,470	110

c. Unrecognised tax losses

There is current uncertainty as to whether the Company will be able to offset current year expenditure of £22,171,000 against income/profits for the current or future years. An asset has therefore not been recognised in relation to the current year expenditure.

9. Property, plant and equipment

	Land and buildings £'000	Leasehold buildings £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 April 2023	-	-	-	-
Additions	170,589	505	66	171,160
At 31 March 2024	170,589	505	66	171,160
Depreciation				
At 1 April 2023	-	-	-	-
Charge for the year	-	30	4	34
At 31 March 2024	-	30	4	34
Carrying amount				
At 31 March 2024	170,589	475	62	171,126
At 31 March 2023	-	-	-	-

Leasehold buildings relate to the lease of an office building accounted for as a right-of-use asset. The right-of-use asset additions were £505,000 during the year (2023: £nil) and a depreciation charge of £30,000 (2023: £nil). The carrying value of the right-of-use asset at the year end was £475,000 (2023: £nil). The interest expense on the lease liabilities associated with the right-of-use asset was £4,000 (2023: £nil) for the year.

The maturity analysis of the lease liabilities is presented in note 14.

10. Investments

a. Summary

	Year ended 31 March 2024 £	Period ended 31 March 2023 £
Subsidiary undertakings (note 10b)	-	2

b. Subsidiary undertakings

	Cost £
At 1 April 2023	2
Disposals	(2)
At 31 March 2024	-

c. Details of the Company's subsidiaries during the year were as follows:

	Country of incorporation	Principal activity	Class and percentage of share held by Company
Principal subsidiary undertakings			
British Nuclear Group Limited ⁽ⁱ⁾	England & Wales	Dormant	100% ordinary shares
BNFL (Investments US) Limited ⁽ⁱ⁾	England & Wales	Dormant	100% ordinary shares

(i) The registered office is the same as the Company as shown in note 1.

On 25 January 2024, the Company transferred its entire shareholding in its wholly-owned subsidiary British Nuclear Group Limited (company number: 05245506) to the Secretary of State for Energy Security & Net Zero and its entire shareholding in its wholly-owned subsidiary BNFL (Investments US) Limited (company number 04394408) to British Nuclear Group Limited. Each share transfer was transacted for a consideration of £1 (one pound). The Company therefore ceased to have any subsidiaries with effect from the completion of these transfers on 25 January 2024.

11. Trade and other receivables

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Prepayments and accrued income	1,946	547

Accrued income includes accrued interest of £1,718,000 (2023: £507,000) in respect of short-term deposits held with the UK government's Debt Management Office (DMO) (see note 12 and note 17).

12. Cash and cash equivalents

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Cash at bank and in hand	88,456	92,583
Short-term deposits	250,000	250,000
	338,456	342,583

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are held with the UK government's Debt Management Office (DMO) and are generally made for a period of between one and three months and earn interest at a fixed rate. The DMO is disclosed in note 17 as a related party.

The Company's investment policy is to hold funds in bank deposits and money funds which are less vulnerable to market variations. Liquidity is managed via short to medium term deposits in the money market with highly rated banks and the DMO.

13. Trade and other payables

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Trade payables	1,068	-
Taxation and social security	1,817	110
Accruals	176,937	25
Amounts due to related parties	-	-
	179,822	135

Accruals includes an amount of £19,034,000 (2023: £nil) in respect of amounts invoiced by DESNZ after the year end, as disclosed in note 17.

14. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Maturity analysis:		
Year 1	190	-
Year 2	190	-
Year 3	126	-
	506	-
Less: unearned interest	(29)	-
Total lease liabilities	477	-
Analysed as:		
Current lease liabilities	172	-
Non-current lease liabilities	305	-
	477	-

15. Financial assets, liabilities and instruments

31 March 2024				
	Loans and receivables £'000	Amortised cost £'000	Total book value £'000	Fair Value £'000
Financial assets				
Trade and other receivables	1,946	-	1,946	1,946
Cash	338,456	-	338,456	338,456
Financial liabilities				
Trade and other payables	-	(179,822)	(179,822)	(179,822)
Lease liabilities	-	(477)	(477)	(477)
	340,402	(180,299)	160,103	160,103

31 March 2023				
	Loans and receivables £'000	Amortised cost £'000	Total book value £'000	Fair Value £'000
Financial assets				
Trade and other receivables	547	-	547	547
Cash	342,583	-	342,583	342,583
Financial liabilities				
Trade and other payables	-	(135)	(135)	(135)
	343,130	(135)	342,995	342,995

The Company does not engage in speculative treasury arrangements, and all of its activities are designed to support underlying business activities. All treasury activities are carried out under policies approved by the Board.

The Company manages its financial risks as follows:

Interest rate risk

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are held with the UK government's Debt Management Office (DMO) and are generally made for a period of three months and earn interest at a fixed rate. If interest rates on cash and cash equivalents had been 25 bps higher, the Company's loss before tax for the year ended 31 March 2024 would have decreased by £865,000 (period ended 31 March 2023: profit would have increased by £638,000). If interest rates had been 25 bps lower, the Company's loss before tax for the year ended 31 March 2024 would have increased by £865,000 (period ended 31 March 2023: profit would have decreased by £614,000).

Liquidity risk

The Company forecasts, manages and reports its working capital requirements on a regular basis to ensure it has sufficient funds to meet all reasonably foreseeable liabilities as they fall due.

16. Equity share capital

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Allotted, called-up and fully-paid		
50,000 (2023: 50,000) ordinary shares of £1 each	50	50

17. Other related party transactions

During the year the Company entered into transactions, in the ordinary course of business and on an arm's length basis, with other related parties. Transactions entered into, and trading balances outstanding at 31 March 2024, with other related parties are as follows:

	31 March 2024			
Related party	Purchase of services £'000	Interest receivable £'000	Amounts owed by related party £'000	Amounts owed to related party £'000
Department for Energy Security & Net Zero (DESNZ) ⁽ⁱ⁾	19,034	-	-	-
Debt Management Office (DMO) ⁽ⁱⁱⁱ⁾	-	12,185	250,000	-
Government Property Agency	126	-	-	-
Advisory Committee on Business Appointments	12	-	-	-
Magnox Limited (now named Nuclear Restoration Services Limited)	99	-	-	99
Nuclear Decommissioning Authority	62	-	-	62
Office for Nuclear Regulation	46	-	-	28
Radioactive Waste Management Limited	121	-	-	19
Sellafield Limited	57	-	-	57
Dounreay Site Restoration Limited	110	-	-	60

17. Other related party transactions (cont.)

31 March 2023

Related party	Interest receivable £'000	Amounts owed by related party £'000	Amounts owed to related party £'000
British Nuclear Group Limited	-	-	-
BNFL (Investments US) Limited	-	-	-
Debt Management Office (DMO) ⁽ⁱⁱ⁾	4,583	250,000	-

(i) the purchase of services from DESNZ were accrued for at the year end (see note 13). The settlement terms are 30 days from the invoice date.

(ii) amounts owed by the DMO relates to cash held in short term deposits with the DMO. At 31 March 2024, the Company had accrued interest of £1,718,000 (2023: £507,000) in respect of the short term deposits held with the DMO (see note 11).

Parent undertaking and ultimate controlling party

The immediate parent undertaking of the Company is the Department for Energy Security & Net Zero (DESNZ) and the Company is included within the publicly available group accounts for DESNZ. In the Directors' opinion, the ultimate controlling party of the Company is His Majesty's Government.

Remuneration of key management and personnel

The key management personnel of the Company are deemed to be (a) the Directors and (b) the members of the Executive team i.e. all of the CEO's first line Executive reports (other than any administrative, clerical, personal or technical assistants).

Remuneration for key management personnel during the year is shown below:

	Year ended 31 March 2024 £'000	Period ended 31 March 2023 £'000
Short-term employee benefits ⁽ⁱ⁾	253	-
Amounts incurred for the provision of key management personnel services from other entities ⁽ⁱⁱ⁾	1,568	-

(i) Short-term employee benefits relate to Directors' emoluments as disclosed in note 5 - though please note that none of the Directors were employees of the Company.

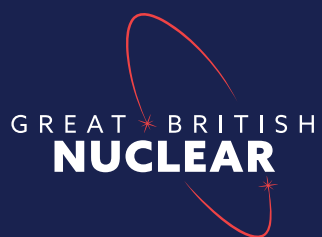
(ii) Amounts incurred for the provision of key management personnel services from other entities relates to payments made to service companies of contractors; and payments by the Company to the employer organisation of any Executive who was on secondment to the Company in full or partial reimbursement of the Executive's salary costs where these continued to be borne by the Executive's employer during the period of the Executive's secondment to the Company.

Directors' transactions

Other than as disclosed in note 5 and in the disclosure of Remuneration of key management and personnel above there were no other transactions between the Directors and the Company.

GLOSSARY

ALB	Arm's Length Body
AMRs	Advanced modular reactors
AO	Accounting Officer
Board	The Board of Directors of Great British Nuclear
CEO	Chief Executive Officer
DESNZ	Department for Energy Security & Net Zero
DevCo	Development company for SMR project
DMO	The Debt Management Office of HMT
GBE	Great British Energy
GBN or the Company	Great British Nuclear
HMG	His Majesty's Government
HMT	His Majesty's Treasury
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standard
LPG	Liquefied Petroleum Gas
NDPB	Non-Departmental Public Body
NED	Non-Executive Director
ONR	Office for Nuclear Regulation
SMRs	Small modular reactors
SoS	The Secretary of State for Energy Security & Net Zero
UKGI	UK Government Investments



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