

NDA PROPERTIES LIMITED

(Formerly: BNFL Properties Limited)

Registered No. 2970356

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the year ended 31 March 2009

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COMPANIES HOUSE

NDA Properties Limited

DIRECTORS

D M Atkinson
A M Oldham
J Clarke

SECRETARY

E Stephenson

AUDITORS

Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

BANKERS

National Westminster Bank Plc
P.O. Box 305
Spring Gardens
Manchester
M60 2DB

REGISTERED OFFICE

Herdus House
Inglewell Drive
Westlakes Science & Technology Park
Moor Row
Cumbria
CA24 3HU

NDA Properties Limited

DIRECTORS' REPORT

The directors present their report, together with the audited financial statements of the Company, for the year ended 31 March 2009.

On 1 April 2008, the Secretary of State used nuclear transfer scheme powers under the Energy Act 2004 to transfer the whole of the issued share capital of the Company from British Nuclear Group Limited (a wholly owned subsidiary of British Nuclear Fuels plc (BNFL)) to the Nuclear Decommissioning Authority (NDA). The same transfer scheme also resulted in a lease for Southmoor House being transferred to the Company from BNFL. On 16 April 2008 the Company changed its name from BNFL Properties Limited to NDA Properties Limited.

Principal activities and business review

The Company owns property which is let to other NDA group companies and contractors to the NDA Group. The increase in turnover from the prior year to £5,164,000 reflects higher rent levels.

The Company has been included in the NDA tax group and the directors anticipate using group losses to offset taxable profits incurred in the future.

Results and dividends

The loss for the year, after taxation, amounted to £5,664,000 (2008: £3,691,000). The directors do not recommend payment of a final dividend (2008: £nil).

Directors

The directors who served during the year were as follows:

A M Oldham (appointed 1 April 2008)
D M Atkinson (appointed 1 April 2008)
J F Edwards (resigned 1 April 2008)

J Clarke was appointed a director on 15 May 2009

There are no directors' interests requiring disclosure under the Companies Act 1985.

Directors' statement as to disclosure of information to auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- the director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s.418 of the Companies Act 2006.

NDA Properties Limited

DIRECTORS' REPORT (Continued)

Annual general meeting and auditors

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

Approved by the Board and signed on its behalf by:



A M Oldham
Finance Director

3 August 2009

NDA Properties Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing those financial statements, the directors are required to:

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

The directors confirm that the financial statements comply with the above requirements.

The directors are responsible for keeping proper accounting records that 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 1985. 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.

NDA Properties Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NDA PROPERTIES LIMITED

We have audited the company's financial statements for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Total Recognised Gains and Losses and the related notes 1 to 20. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

NDA Properties Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NDA PROPERTIES LIMITED (Continued)

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

Ernst & Young LLP

Ernst & Young LLP
Registered auditor
Manchester

14 August 2009

NDA Properties Limited

PROFIT AND LOSS ACCOUNT
For the year ended 31 March 2009

	<i>Note</i>	2009 £'000	2008 £'000
Turnover		5,164	4,950
Administrative expenses		(13,333)	(4,596)
Operating (loss)/profit before finance charges and taxation	2	(8,169)	354
Loss associated with fundamental reorganisation	3	-	(3,539)
Finance charges	4	(63)	-
Loss on ordinary activities before tax		(8,232)	(3,185)
Tax on profit on ordinary activities	5	2,568	(506)
Loss for the financial year	16	(5,664)	(3,691)

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
For the year ended 31 March 2009

	<i>Note</i>	2009 £'000	2008 £'000
Loss for the financial year	16	(5,664)	(3,691)
Unrealised surplus on revaluation of tangible fixed assets	16	2,615	-
Total recognised gains and losses relating to the year	17	(3,049)	(3,691)

All amounts relate to continuing operations.

NDA Properties Limited


BALANCE SHEET At 31 March 2009

	Note	2009 £'000	2008 £'000
Fixed assets			
Intangible fixed assets	8	100	-
Tangible fixed assets	9	17,281	14,432
		<u>17,381</u>	<u>14,432</u>
Current assets			
Debtors	11	1,310	117
Cash at bank and in hand		8,915	196
		<u>10,225</u>	<u>313</u>
Creditors: amounts falling due within one year	12	(10,224)	(74)
Net current assets		<u>1</u>	<u>239</u>
Total assets less current liabilities		<u>17,382</u>	<u>14,671</u>
Creditors: amounts falling due after more than one year	13	(498)	(503)
Provisions for liabilities and charges	14	(8,333)	(2,568)
Net assets		<u>8,551</u>	<u>11,600</u>
Capital and reserves			
Called up share capital	15	10,366	10,366
Revaluation reserve	16	2,615	-
Profit and loss account	16	(4,430)	1,234
Shareholders' funds	17	<u>8,551</u>	<u>11,600</u>

The financial statements were approved by the Board of directors and authorised for issue on 3 August 2009 and were signed on its behalf by;



A M Oldham
Director



D M Atkinson
Director

NDA Properties Limited

NOTES TO THE ACCOUNTS **At 31 March 2009**

1. STATEMENT OF ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets, and in accordance with applicable United Kingdom accounting standards.

The principal accounting policies adopted are set out below. They have all been applied consistently throughout the year and the preceding year with the exception of the policy for financial instruments. In the current year, the Company has adopted FRS 25 'Financial Instruments: Presentation', FRS 26 'Financial Instruments: Recognition and Measurement' and FRS 29 'Financial Instruments: Disclosures'. Adoption of these statements has not resulted in any restatement of comparative figures.

Turnover

Turnover is stated net of value added tax and is derived from property rental. Property rental income is recognised on a straight-line basis over the lease term, even if payments are not received on such a basis.

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A deferred tax asset is only recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing difference can be deducted.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Intangible fixed assets

An option to purchase land is included at cost and amortised over the economic life of the asset. Provision is made for any impairment.

NDA Properties Limited

NOTES TO THE ACCOUNTS **At 31 March 2009**

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets at rates calculated to write off the valuation, less estimated residual values, of each asset on a straight-line basis over its expected useful life as follows:

Land	No depreciation is provided on land
Buildings	2% -10% straight line

Revaluations are performed with sufficient regularity such that the net book value does not differ materially from that which would be determined using existing use values at the balance sheet date. Any accumulated depreciation at the date of revaluation is eliminated against the gross book value of the asset with the net amount restated to equal the revalued amount. Any revaluation increase arising is credited to the revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised as an expense, in which case the increase is credited to the profit and loss account to the extent of the decrease previously charged. A decrease in net book value arising on revaluation is charged as an expense to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset. On the disposal or recognition of a provision for impairment of a revalued asset, any attributable revaluation surplus remaining in the revaluation reserve is transferred to the profit and loss account as a movement on reserves.

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that a provision for impairment may be required.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified as either financial assets 'at fair value through profit or loss' (FVTPL) or loans and receivables. Financial assets are initially recognised at fair value plus transaction costs, except for those assets classified as at fair value through profit or loss, which are initially recognised at fair value (transaction costs are expensed in the profit and loss account).

NDA Properties Limited

NOTES TO THE ACCOUNTS

At 31 March 2009

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

Financial assets at FVTPL

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if it has been acquired principally for the purpose of selling in the near future or it is a derivative that is not designated and effective as a hedging instrument. A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise or it forms part of a contract containing one or more embedded derivatives, and FRS 26 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL. Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

Loans and receivables

Trade and other debtors, and cash at bank and in hand, that have fixed or determinable payments that are not quoted in an active market, are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest rate method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset or, where appropriate, a shorter period, to the net carrying value of the financial asset.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade debtors, where the carrying amount is reduced through the use of an allowance account. When a trade debtor is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

NDA Properties Limited

NOTES TO THE ACCOUNTS

At 31 March 2009

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

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

Derecognition of financial assets

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

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' (FVTPL) or other financial liabilities.

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL where the financial liability is either held for trading or it is designated as at FVTPL. A financial liability is classified as held for trading if it is a derivative that is not designated and effective as a hedging instrument. A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if it forms part of a contract containing one or more embedded derivatives, and FRS 26 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at FVTPL. Financial liabilities at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

NDA Properties Limited

NOTES TO THE ACCOUNTS

At 31 March 2009

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

Other financial liabilities

Other financial liabilities, including trade and other creditors, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or, where appropriate, a shorter period, to the net carrying value of the financial liability.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled or they expire.

Embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at fair value, with changes in fair value recognised in profit or loss.

Cash flow statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that the immediate parent undertaking includes the Company in its own published consolidated financial statements.

NDA Properties Limited

NOTES TO THE ACCOUNTS

At 31 March 2009

2. OPERATING LOSS BEFORE TAXATION

Operating loss before taxation is stated after charging:

	2009	2008
	£'000	£'000
Auditors' remuneration in respect of the statutory audit of the Company	9	5
Depreciation	1,047	1,047
Onerous lease provision (Southmoor)	3,596	-
Utilisation of onerous lease provision	(514)	-
Provision for roof repairs (Hinton)	4,276	-
Dilapidation provision (Southmoor)	912	-

3. COSTS ASSOCIATED WITH FUNDAMENTAL REORGANISATION

Loss associated with fundamental reorganisation

Waiver of loans to BNFL	-	3,539
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On 1 April 2008 ownership of the Company was transferred by means of transfer scheme powers under the Energy Act 2004 to the NDA. As part of this transfer the Company waived its loan to BNFL.

4. EMPLOYEE INFORMATION

The Company had no employees during the year (2008: nil).

5. DIRECTORS' EMOLUMENTS

The directors received no emoluments during the year (2008: £nil) in their capacity as directors of the Company. All directors' emoluments were borne by the NDA.

6. FINANCE CHARGES

	2009	2008
	£'000	£'000
Unwinding of discount on provisions	63	-

NDA Properties Limited

NOTES TO THE ACCOUNTS

At 31 March 2009

7. TAXATION

The explanation for the tax credit in the year is set out below.

	2009	2008
	£'000	£'000
Loss on ordinary activities before tax	(8,232)	(3,185)
Tax at 28% (2008: 30%)	(2,304)	(956)
Effects of:		
Expenses not deductible for tax purposes	3,015	579
Group relief surrendered for nil payment	(418)	552
Capital allowances in excess of depreciation	(293)	(175)
Current tax charge for the year	-	-
Deferred tax credit / (charge)	2,568	(506)
Total tax credit	2,568	(506)

It is anticipated that any taxable profits in NDA Properties Limited in the foreseeable future will be offset using NDA group losses. As a result, the deferred tax liability brought forward of £2,568,000 has been released (see note 12).

8. INTANGIBLE FIXED ASSETS

	2009
Cost	
At 1 April 2008	-
Additions	<u>100</u>
At 31 March 2009	<u>100</u>
Amortisation	
At 1 April 2008	-
Charge for the year	<u>-</u>
At 31 March 2009	<u>-</u>
Net book value	
At 31 March 2009	<u>100</u>
At 31 March 2008	<u>-</u>

The Company owns an option to purchase land at Longlands Farm, Sellafeld from the NDA. The option is for a period of 21 years from 3 May 2006.

NDA Properties Limited

NOTES TO THE ACCOUNTS

At 31 March 2009

9. TANGIBLE FIXED ASSETS

	Freehold land & buildings £'000	Leasehold land & buildings £'000	Total £'000
Cost or valuation			
At 1 April 2008	22,526	-	22,526
Additions	1,249	32	1,281
Revaluation	(6,526)	-	(6,526)
At 31 March 2009	<u>17,249</u>	<u>32</u>	<u>17,281</u>
Depreciation			
At 1 April 2008	8,094	-	8,094
Charge for the year	1,047	-	1,047
Revaluation	(9,141)	-	(9,141)
At 31 March 2009	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 March 2009	<u>17,249</u>	<u>32</u>	<u>17,281</u>
At 31 March 2008	<u>14,432</u>	<u>-</u>	<u>14,432</u>

At 31 March 2009 had freehold land & buildings not been revalued they would have been included at the following amounts:

Cost	23,775
Depreciation	<u>(9,141)</u>
Net book value	<u>14,634</u>

Freehold land and buildings were revalued at 31 March 2009 on the basis of existing use value by independent qualified valuers. The valuations were undertaken in accordance with the Royal Institution of Chartered Surveyors in the United Kingdom Valuation Standards by Dixon Webb Chartered Surveyors.

NDA Properties Limited

NOTES TO THE ACCOUNTS At 31 March 2009

10. FINANCIAL INSTRUMENTS BY CATEGORY

The accounting classification of each category of financial instruments, and their carrying values, is set out below:

	2009 £'000	2008 £'000
Financial assets – loans and receivables:		
Debtors excluding prepayments and VAT (a)	1,218	117
Cash at bank and in hand	8,915	196
	<u>10,133</u>	<u>313</u>
Financial liabilities – other financial liabilities:		
Creditors excluding reverse lease premium received and deferred income (b)	(2,524)	(74)
	<u>(2,524)</u>	<u>(74)</u>

(a) Prepayments and VAT are excluded as this analysis is required only for financial instruments

(b) Reverse lease premium received and deferred income are excluded as this analysis is required only for financial instruments

Generally, financial assets and financial liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the Company in undertaking its activities. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which profit and losses are recognised, in respect of each class of financial asset and financial liability are disclosed in note 1.

The fair value of financial instruments represents the amount at which the instruments could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. Where market values are not available, fair values are calculated by discounting cash flows at prevailing rates. The directors consider that the carrying amount of loans and receivables and other financial liabilities approximates their fair value.

11. DEBTORS

	2009 £'000	2008 £'000
Trade debtors	1,218	-
Amounts owed by BNFL group undertakings	-	117
	<u>1,218</u>	<u>117</u>
Prepayments	82	-
VAT	10	-
	<u>1,310</u>	<u>117</u>

NDA Properties Limited

NOTES TO THE ACCOUNTS

At 31 March 2009

Trade debtors represent property rental income and service charges due from tenants which are either due or have been collected by property managing agents but not yet remitted to the Company. As the tenants are either other NDA group companies or contractors to the NDA group the directors consider the risk of non-payment to be remote and accordingly no provision for doubtful debts is required at the balance sheet date.

12. CREDITORS: amounts falling due within one year

	2009 £'000	2008 £'000
Amounts owed to NDA group undertakings	1,416	-
Accruals	1,108	74
	<u>2,524</u>	<u>74</u>
Reverse lease premium received (see note 19)	7,700	-
	<u>10,224</u>	<u>74</u>

13. CREDITORS: amounts falling due after more than one year

	2009 £'000	2008 £'000
Deferred income	498	503
	<u>498</u>	<u>503</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

	Onerous lease provision £'000	Dilapidation provision £'000	Deferred taxation £'000	Total £'000
At 1 April 2008	-	-	2,568	2,568
Charged to profit and loss account	3,596	5,188	-	8,784
Utilisation	(514)	-	(2,568)	(3,082)
Unwinding of discount	63	-	-	63
At 31 March 2009	<u>3,145</u>	<u>5,188</u>	<u>-</u>	<u>8,333</u>

15. SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised: 50 million ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
Allotted, called up and fully paid: 10,365,607 ordinary shares of £1 each	<u>10,366</u>	<u>10,366</u>

NDA Properties Limited

NOTES TO THE ACCOUNTS At 31 March 2009

16. RESERVES

	Revaluation reserve £'000	Profit and loss account £'000	Total £'000
At 1 April 2008	-	1,234	1,234
Revaluation surplus	2,615	-	2,615
Loss for the financial year	-	(5,664)	(5,664)
At 31 March 2009	<u>2,615</u>	<u>(4,430)</u>	<u>(1,815)</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £'000	2008 £'000
Loss for the financial year	(5,664)	(3,691)
Other recognised gains and losses	<u>2,615</u>	-
	<u>(3,049)</u>	<u>(3,691)</u>
Opening shareholders' funds	<u>11,600</u>	<u>15,291</u>
Closing shareholders' funds	<u>8,551</u>	<u>11,600</u>

18. FINANCIAL RISK MANAGEMENT

Capital risk

The Company manages its capital to ensure that it is able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's overall strategy remains unchanged from the previous year.

The capital structure of the Company consists of equity attributable to equity holders of the immediate parent, comprising issued capital and reserves.

Financial risk management objectives

The nature of the Company's business means that it is not exposed to the degree of financial risk faced by other business entities although it does experience some degree of risk due to variability of income due to commercial factors. Consequently, financial instruments play only a limited role in managing risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The directors do not consider market risk exposure to be material.

NDA Properties Limited

NOTES TO THE ACCOUNTS

At 31 March 2009

Liquidity risk

Liquidity risk (also referred to as funding risk) is the risk that an entity will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. The Company is primarily financed through its commercial income although it always has the option to apply for increased funding from its immediate parent.

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As the property tenants are either other NDA group companies or contractors to the NDA group the directors consider the risk of contractual default to be remote and accordingly the Company's exposure to credit risk is low.

19. ULTIMATE PARENT UNDERTAKING

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

In the directors' opinion, the Company's ultimate controlling party is Her Majesty's Government

20. RELATED PARTY TRANSACTIONS

The Company is exempt under the terms of FRS 8 from disclosing transactions with entities that are part of the NDA group or are ultimately controlled by Her Majesty's Government. There are no other related party transactions.

21. POST BALANCE SHEET EVENTS

On 1 April 2009 the leases of properties at 1100, Daresbury Park, Warrington and 65, Buckingham Gate, London were transferred from BNFL by means of a transfer scheme under the Energy Act 2004. A reverse lease premium of £7,700,000 was received from BNFL in respect of onerous lease and dilapidation provisions on these properties immediately prior to the year end. Accordingly, on transfer of the above leases, the reverse lease premium will be recognised as onerous lease and dilapidation provisions.