

Registered No: 04113197

# **Urenco Nuclear Stewardship Limited**

## **Annual Report and Financial Statements**

For the year ended  
31 December 2021



# Urenco Nuclear Stewardship Limited

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Registered No: 04113197

## **Directors**

H Blokhuis (Appointed 1<sup>st</sup> April 2022)  
C Chater  
S Hounslow (Resigned 1<sup>st</sup> April 2022)  
D Nelligan  
D Sexton

## **Auditor**

Deloitte LLP  
Statutory Auditor  
London  
United Kingdom

## **Bankers**

Citibank N.A.  
Citigroup Centre Canary Wharf  
25 Canada Square  
London  
E14 5LB  
United Kingdom

## **Registered Office**

Capenhurst Works  
Capenhurst  
Chester  
Cheshire  
CH1 6ER  
United Kingdom

## Strategic Report

### Principal activity and review of the business

The primary business activities of Urenco Nuclear Stewardship Limited ("UNS" or the Company) are the management of uranic materials, decommissioning and the recycling of waste and residue materials.

The business commenced trading on 30 November 2012 as Capenhurst Nuclear Services Limited when commercial contracts with the Nuclear Decommissioning Authority ("NDA") were enacted. These contracts are to manage and recycle NDA material inventory, decommission redundant plant and equipment, and to design, construct and operate a Legacy Cylinder Facility (LCF) that supports the NDA hazard reduction strategy.

All costs incurred by the Company in the performance of its NDA decommissioning and recycling activities under the agreements with the NDA are reimbursed, unless they are specifically disallowable under the agreements. The Company initiates advance agreements with the NDA to obtain pre-approval of certain items of expenditure, to ensure that such expenditure is allowable under the terms of the agreements with the NDA. Under the storage agreement the Company generates revenues from storage fees based on the volume of stored uranic material. The terms of the agreements vary between 20 and 99 years.

During 2021 the Company made significant progress with a number of key decommissioning, waste management and storage activities.

**Decommissioning** – During 2021 several key NDA decommissioning projects were completed including Raft 16, Low Voltage Rationalisation, cell structure remediation and removal in Q Bay as well as Phase 1 of B300 deplanting works. UNS has also supported Urenco UK with their decommissioning programme during 2021 and this activity will continue into 2022 and beyond.

**Tails Management Services** – The Tails Management Service Agreement (TMSA) covers the storage of legacy cylinders; the processing through the construction of a Legacy Cylinder Facility into cylinders capable of being processed through Urenco's Tails Management Facility to a more stable less hazardous form; and finally its storage until the end of the agreement. Following a change in project strategy aimed to reduce cost and risk, the NDA and UNS agreed to pause certain activities on the LCF project. A revised strategy has been presented to the NDA and UNS is supporting NDA with technical queries whilst the strategy is under consideration.

**Uranic Storage** – The Uranic Storage Agreement covers the storage of uranic material principally Magnox Depleted Uranium (MDU). Throughout 2021 the Company has received MDU for storage on behalf of the NDA.

**Waste Services** – The Company has signed contracts with Urenco UK Limited (UUK) and Urenco ChemPlants Limited (UCP) for waste management and disposal services. It is also supporting UUK with additional waste services as part of its decommissioning programme and has been successful in securing some external works through the LLWR metals treatment framework.

## Strategic Report (continued)

### Key financial and other performance indicators

	2021	2020
	£000	£000
Revenue	27,971	28,427
EBITDA	1,308	1,638
(Loss) / Income before taxation	(992)	210
(Loss) / Income after taxation	(626)	212

Revenue in 2021 was marginally lower than in 2020 due to the completion of several key decommissioning projects during the year. In 2021 a loss before taxation was made due to several factors including reduction of interest receivable, increase in interest on lease liabilities and an increase in business development costs as more focus has been on new decommissioning and waste opportunities as NDA projects progress towards completion.

EBITDA is defined as earnings before exceptional items, interest, taxation, depreciation and amortisation. A reconciliation between EBITDA and income from operating activities is provided below:

	2021	2020
	£000	£000
Income from operating activities	1,047	1,452
Depreciation and amortisation	261	185
EBITDA	<u>1,308</u>	<u>1,637</u>

The Company's EBITDA result was on budget but has decreased since 2020 due to increased focus on new decommissioning and waste opportunities as NDA projects progress towards completion.

### Principal risks and uncertainties

#### Credit risk

The Company's principal financial assets are its trade and other receivables totalling £55.3m (2020: £54.9m). The Company has no bank accounts as Urenco Limited acts as an agent for the receipt and payment obligations of the Company.

The Company's credit risk is minimal as its primary customer is publicly funded by the UK Government. In the event that the Company performs tasks for customers other than the NDA or other companies within the Urenco Limited group, then it is the Company's policy that all customers wishing to trade on credit are subject to an internal approval process based on a system of credit scoring similar to that used by external rating agencies. Customers would be assigned credit limits based on this credit score and their credit balances would be monitored and managed against these limits on a monthly basis.

The Company's credit risk on liquid funds is limited because the counterparties are primarily Group companies. The Urenco Group has debt facilities in place to ensure that it can fulfil its expected obligations.

## Strategic Report (continued)

### Interest rate risk

The Company is not exposed to interest rate risk on receivable balances. The primary balance relates to two fixed interest rate deposits due from Urenco Limited.

### Regulatory risk

The UK has now withdrawn from the European Union and Euratom treaty.

During 2021, Urenco Nuclear Stewardship Limited has continued to work closely with vendors to mitigate the risk of interruption to the supply of critical supplies. These actions will enable UNS to continue to provide services.

As of 18 May 2022, no other material structural changes or business events have occurred that might serve to alter any of the disclosures contained in the 2021 financial statements.

### Liquidity risk

The Company's liquidity risk is managed as part of the wider Urenco Group liquidity risk management. The Urenco Group seeks to achieve flexibility and continuity of funding through the active use of a range of different instruments, markets and currencies. External debt funding has a range of tenures in order to avoid a concentration of maturity.

### Operational risk

The Company do not believe that there are any significant operational risks to be considered in performing its current contracts.

### Future developments

Details of the Company's future developments are disclosed in the Directors' Report.

The Strategic Report has been approved for issue by the Directors on 18 May 2022.



D J Nelligan

Director

Date: 18 May 2022

## Directors' Report

The Directors present their annual report on the affairs of the Company, together with the audited financial statements and Auditor's Report, for the year ended 31 December 2021.

### Results, dividends and going concern

The loss for the year, after taxation, amounted to £626,000 (2020: £212,000 profit). No reserves are available for dividend distribution.

### Going concern

After making enquiries the Directors are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future and continues to adopt the going concern basis. In reaching this conclusion the Directors have considered that the Company has net assets and sufficient liquidity to meet liabilities as they fall due.

### Decontamination and disposal costs

No provision has been made in the financial statements for decommissioning or disposal costs because the Company does not have a legal or constructive obligation for decommissioning of contaminated land and buildings or final disposal of uranic material. This obligation rests with the customers.

### Financial risk management objectives and policies

The Company's risk management objectives and policies are set out in the Strategic Report on pages 3 and 4.

### Events after the balance sheet date

As of 18 May 2022, no other material structural changes or business events have occurred that might serve to alter any of the disclosures contained in the 2021 financial statements.

### Future developments

The Directors expect the general level of activity to be similar in the forthcoming year. This is as a result of increased intercompany decommissioning and waste and external waste management net by a reduction in NDA decommissioning.

## **Directors' Report (continued)**

### **Sustainability**

The Company is committed to minimising the impact on the environment and has initiatives which cover energy efficiency, emissions, water usage and waste.

### **Transactions with related parties**

Urenco Nuclear Stewardship Limited is a wholly owned subsidiary of Urenco Limited and as such has taken advantage of the exemption available under Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") not to disclose transactions with other members of the Urenco Limited Group. Transactions with other related parties are set out in note 19.

### **Disabled employees**

It is the Company's policy to give full and proper consideration to applications from disabled people for employment where the job can be performed adequately by a disabled person.

In the event that an existing employee becomes disabled, it is the Company's policy to allow that person to continue in employment if possible or to provide alternative training if necessary. The Company will offer career development and promotion where appropriate.

### **Employee involvement**

During the year employees have been informed of developments through Company newsletters and notices. There were, in addition, formal meetings between management and employee representatives as part of the ongoing process of communication.

### **Directors**

The Directors who served during the year and as at the date of signing are listed on page 1 of this report.

### **Directors' interests**

The Directors did not have any interests in the share capital of the Company or the parent Company during the year. The Directors did not have any material interest during the year in any contract which is significant in relation to the Company's business.

### **Disclosure of information to the auditor**

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 auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

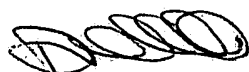
## Directors' Report (continued)

### Auditor

The reappointment of Deloitte LLP as auditor was made via a written shareholder resolution on 18 May 2022.

The responsibilities of the auditor are set out in the Auditor's Report.

The Directors' Report has been approved for issue by the Directors on 18 May 2022.



D J Nelligan

Director

Date: 18 May 2022



## **Directors' Responsibilities Statement**

The Directors are responsible for preparing the Annual Report and 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), including FRS101 "Reduced Disclosure Framework". Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain 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.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF URENCO NUCLEAR STEWARDSHIP LIMITED**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion the financial statements of Urenco Nuclear Stewardship Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Urenco Nuclear Stewardship Limited which comprise:

- the income statement;
- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 20.

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

##### **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 Financial Reporting Council's (the 'FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

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

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

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

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF URENCO NUCLEAR STEWARDSHIP LIMITED**

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of Directors**

As explained more fully in the Directors' Responsibilities Statement, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

#### **Extent to which 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 material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF URENCO NUCLEAR STEWARDSHIP LIMITED**

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act, pensions legislation, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud to be in relation to revenue recognition. The specific procedures undertaken to respond to this risk included:

- obtaining an understanding of the relevant controls over management's revenue recognition process;
- reviewing the Group's revenue recognition policy for compliance with IFRS 15 Revenue from Contracts with Customers ("IFRS 15"); and
- testing accuracy of the reimbursed costs by agreeing to the general ledger.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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 any material misstatements in the strategic report or the directors' report.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF URENCO NUCLEAR STEWARDSHIP LIMITED**

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

#### **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.



Jon Thomson  
(Senior Statutory Auditor) For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
Date: 18 May 2022

## Income Statement

For the year ended 31 December 2021

	Notes	2021 £000	2020 £000
<b>Revenue</b>	2	27,971	28,427
Raw materials and consumables		(830)	(926)
Staff costs	5	(8,596)	(9,292)
Other expenses	3	(17,237)	(16,572)
Depreciation and amortisation	9	(261)	(185)
<b>Income from operating activities</b>	3	1,047	1,452
Interest receivable	6	1,130	1,569
Interest payable	7	(3,169)	(2,811)
<b>(Loss) / Income before tax</b>		(992)	210
Taxation	8	366	2
<b>Net (loss) / Income for the year</b>		(626)	212

All items in the income statement relate to continuing operations.

## Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 £000	2020 £000
(Loss) / Income for the financial year		(626)	212
<b>Other comprehensive income / (expense)</b>			
<b>Items that will not be reclassified subsequently to the income statement</b>			
Actuarial gain / (loss) on defined benefit pension scheme	16	2,109	(400)
Current tax credit on actuarial loss		-	15
Deferred tax (charge) / credit on actuarial gain / loss		(527)	61
Other comprehensive income / (expense) for the year		1,582	(324)
<b>Total comprehensive income / (expense) for the period attributable to owners of the Company</b>		<b>956</b>	<b>(112)</b>

# Statement of Financial Position

As at 31 December 2021

	Notes	2021 £000	2020 £000
<b>Non-current assets</b>			
Property, plant and equipment	9	18,275	15,789
Deferred tax assets	8	211	520
Trade and other receivables	10	-	43,859
		<u>18,486</u>	<u>60,168</u>
<b>Current assets</b>			
Trade and other receivables	10	55,263	11,054
		<u>55,263</u>	<u>11,054</u>
<b>Total assets</b>		<u>73,749</u>	<u>71,222</u>
<b>Non-current liabilities</b>			
Trade and other payables	11	(26,929)	(26,528)
Provisions	12	(324)	(324)
Retirement benefit obligations	16	(229)	(2,298)
Lease liability non-current		<u>(17,582)</u>	<u>(15,263)</u>
		<u>(45,064)</u>	<u>(44,413)</u>
<b>Current liabilities</b>			
Trade and other payables	11	(6,244)	(4,709)
Provisions	12	(158)	(658)
Current corporation tax		(610)	(757)
Lease liability current		<u>(891)</u>	<u>(859)</u>
		<u>(7,903)</u>	<u>(6,984)</u>
<b>Total liabilities</b>		<u>(52,967)</u>	<u>(51,397)</u>
<b>Net assets</b>		<u>20,782</u>	<u>19,826</u>
<b>Equity</b>			
Called up share capital	13	-	-
Capital contribution reserve	14	20,000	20,000
Retained earnings	15	<u>782</u>	<u>(174)</u>
<b>Total equity</b>		<u>20,782</u>	<u>19,826</u>

The financial statements of Urenco Nuclear Stewardship Limited (registered number 04113197) were approved by the Board of Directors on 18 May 2022.



D J Nelligan  
Director



## Statement of Changes in Equity

For the year ended 31 December 2021

	<i>Called Up Share Capital £000</i>	<i>Capital Contribution Reserve £000</i>	<i>Retained Earnings Note 15 £000</i>	<i>Attributable to the owners of the Company £000</i>
As at 1 January 2021		20,000	(174)	19,826
Loss for the year			(626)	(626)
Other comprehensive income			1,582	1,582
Total comprehensive income			956	956
As at 31 December 2021		20,000	782	20,782
As at 1 January 2020		20,000	(62)	19,938
Income for the year			212	211
Other comprehensive expense			(324)	(324)
Total comprehensive expense			(112)	(113)
As at 31 December 2020		20,000	(174)	19,826

## Notes to the financial statements

For the year ended 31 December 2021

### 1. Accounting policies

#### **General Information**

Urenco Nuclear Stewardship Limited is a private Company limited by shares, domiciled and incorporated in the United Kingdom (England and Wales) under the Companies Act 2006.

#### **Authorisation of financial statements**

The Company's financial statements for the year ended 31 December 2021 were approved and authorised for issue by the board of Directors on 18 May 2022 and the statement of financial position was signed on behalf of the Board by D J Nelligan.

The principal accounting policies which the Directors have adopted are set out below.

#### **Basis of preparation**

The Company financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") as issued by the Financial Reporting Council as applied in accordance with the provisions of the Companies Act 2006. The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a cash flow statement, standards not effective, financial instruments, related party transactions, comparative fixed asset reconciliations, capital management disclosures, fair value measurements, leases as well as key management personnel. Where required, equivalent disclosures are given in the Group accounts of Urenco Limited. The Group accounts of Urenco Limited are available to the public and can be obtained as set out in note 17.

The Company has applied FRS 101 Reduced Disclosure Framework incorporating the Amendments to FRS 101 issued by the FRC in July 2015 and the amendments to Company law made by the Companies, Partnerships and Groups (Accounts and Reports) Regulations 2015.

The Company is a wholly owned subsidiary of Urenco Limited. It is included in the consolidated financial statements of Urenco Limited, which are publicly available as set out in note 17.

#### **Going concern**

After making enquiries, the Directors are satisfied that the Company has access to adequate resources to continue in operational existence for the foreseeable future and continues to adopt the going concern basis. In reaching this conclusion the Directors have considered that the Company has net assets and sufficient access to finance (provided by Urenco Group) to meet liabilities as they fall due.

## Notes to the financial statements

For the year ended 31 December 2021

### Accounting policies (continued)

#### *Amendments to the accounting standards that are mandatorily effective for the current year*

The following new accounting standards and interpretations became effective for periods starting from 1 January 2021:

International Accounting Standards (IFRS / IAS)	IASB Effective Date - periods commencing on or after	UK endorsed effective Date - periods commencing on or after
Extension to Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions (issued on 31 March 2021)	1 April 2021(i)	1 April 2021(i)
Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) (issued on 25 June 2020)	1 January 2021(ii)	1 January 2021(ii)
Interest Rate Benchmark Reform—Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) (issued on 27 August 2020)	1 January 2021	1 January 2021

(i) Applies to Covid-19-related rent concessions that reduce lease payments due on or before 30 June 2022

(ii) The Amendments may be used by eligible entities for financial years beginning before 1 January 2023

The Directors have reviewed the changes to accounting standards as listed in the table above and have assessed that these changes have not had any impact on the financial statements of the Company.

## Notes to the financial statements

For the year ended 31 December 2021

### Accounting policies (continued)

#### *Critical accounting judgements and key sources of estimation uncertainty*

In the process of preparing financial statements, management are required to make significant estimates, assumptions and judgements that can have a significant impact on the financial statements.

##### *Critical accounting judgements*

There were no critical accounting judgements used in the preparation of the financial statements.

##### *Key sources of estimation uncertainty*

The cost of defined benefit pension plans is determined using actuarial valuations. The actuarial valuations involve making assumptions about life expectancies, discount rates, expected rates of return on assets, future salary increases, and future pension increases. Due to the long-term nature of these plans, the valuation is highly sensitive to such estimates. See note 16.

#### *Taxation*

Current tax is recognised at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date. Current tax is based on taxable income (or expense) for the year. Taxable income (or expense) differs from net income as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years ("temporary differences") and it further excludes items that are never taxable or deductible ("permanent differences").

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 income, and is accounted for using the statement of financial position 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 income will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income nor the accounting income.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the asset to be recovered.

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 based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## Notes to the financial statements

For the year ended 31 December 2021

### Accounting policies (continued)

#### *Property, plant and equipment*

Property, plant and equipment is initially stated at cost, and subsequently net of depreciation and provision for impairment.

Depreciation has been provided on all fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of assets, less estimated residual value, evenly over their expected useful lives using the following as guidance:

	Property, Plant and Equipment Years	Right of use assets Years
Buildings	12 - 40	12 - 40
Plant and machinery	2 - 20	2 - 20
Office fixtures and fittings	12	12
Motor vehicles	4	4
Computer equipment	3 - 5	3 - 5

At each balance sheet date, the Company reviews the carrying amount of its property, plant and equipment to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is the higher of fair value less selling costs and value in use. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

#### *Revenue Recognition*

The Company provides Decommissioning, Uranic storage and Tails Management services to its principal customer the NDA under a suite of agreements signed on 1 December 2011 which became effective on 30 November 2012.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, excluding discounts, VAT and other sales-related taxes.

For the sales of services, revenue is recognised over time. The Company uses the input method to recognise revenue, because the satisfaction of performance obligations is substantially based on resources consumed, which includes labour hours, costs incurred and time elapsed.

On the effective date the Company received an advance for a certain level of future storage services to be provided to the NDA. This advance was transferred to a group company and was settled with the Company via a loan due from its Parent Company, Urenco Limited (the "Parent Company"). The present value of these future storage services has been recognised as contract liabilities and revenue recognition in the income statement will take place in the years these storage services will be provided. The unwinding of the discount on the contract liabilities is recorded as interest cost in the income statement. The initial present value was determined based on estimated future storage fees for a fixed volume of uranic material over a period of 65 years, escalated for inflation and discounted at an appropriate discount rate. In addition to the revenues recognised from contract liabilities, which do not result in cash inflows, cash revenues are recognised for stored uranic materials in excess of the fixed volume covered by the advance payment.

## Notes to the financial statements

For the year ended 31 December 2021

### Accounting policies (continued)

#### **Other expenses**

Costs charged to the Income Statement under the heading 'Other expenses' include the cost of external contractors, maintenance and repairs, waste disposal, regulatory fees, legal and professional fees, business rates and intercompany services.

#### **Foreign currencies**

The Company's functional currency is sterling because that is the currency of the primary economic environment in which the Company operates. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the Statement of Financial Position date. All differences are taken to the Income Statement.

#### **Leases and hire purchase commitments**

The Company assesses whether a contract is a lease or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability, with respect to all lease agreements in which it is the lessee, except for short term leases with a lease term of 12 months or less and leases of low value assets. For such leases, the Company recognises the lease payments as an operating expense on a straight line basis over the term of the lease.

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 its incremental borrowing rate. The rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use-asset in a similar economic environment. Subsequently the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and by reducing the carrying amount to reflect the lease payments made. The lease liability is presented as a separate line in the Statement of Financial Position.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. Subsequently, they are measured at cost less accumulated depreciation and impairment losses. Right-of-use assets are depreciated over the shorter period of lease term and 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 accounting policy for 'Property, Plant and Equipment' as set out below.

The right-of-use assets are presented within Property, Plant and Equipment, with each item included within the same asset category within which the corresponding underlying assets would be presented if they were owned.

#### **Retirement benefit obligations**

The Company operates a defined benefit scheme with separate sections for the defined benefit and defined contribution plan for the benefit of all its employees.

The scheme, which is funded by contributions partly from the employees and partly from the Company, is administered independently. Payments to the defined contribution scheme are charged as an expense as they fall due.

## Notes to the financial statements

For the year ended 31 December 2021

### Accounting policies (continued)

#### *Retirement benefit obligations (continued)*

In accordance with IAS 19, for defined benefit retirement schemes, the cost of providing benefits is determined using the projected unit credit method, with actuarial assessment being carried out at each reporting date. Actuarial gains and losses are recognised in full in the statement of comprehensive income in the year in which they occur.

Past service cost is immediately recognised in the income statement to the extent that the benefits are already vested. Otherwise it is amortised on a straight line basis over the average period until the benefits become vested.

The retirement benefit obligations recognised in the statement of financial position represent the present value of the defined benefit obligation as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available funds and reductions in future contributions to the plan.

Net interest is calculated by applying a discount rate to the net defined benefit liability or asset. Net interest expense or income is recognised within finance costs or finance income.

Scheme assets are measured at fair value, which is based upon market price information, and in the case of quoted securities is the published bid price.

#### *Related parties*

As set out in note 17, Urenco Nuclear Stewardship Limited is a wholly owned subsidiary of Urenco Limited and as such has taken advantage of the exemption available under Financial Reporting Standard 101 – Reduced Disclosure Framework, not to disclose transactions with other members of the Urenco Limited Group. Transactions with other related parties are included in the Directors' Report and Note 19 Related party transactions.

## 2. Revenue

Revenue, which is stated net of value added tax, mainly relates to the Company's principal activities under the agreements with its customer the NDA and arises wholly in the United Kingdom.

Revenue recognised in the year includes £1,489,000 that was included in the contract liabilities at the beginning of the year. At the end of the year the Company has unsatisfied performance obligations for which it expects to recognise the associated revenue within the next 60 years. As at 31<sup>st</sup> December 2021 there were no assets recognised from the costs incurred to obtain or fulfil a contract with a customer and there were no amortisation or impairment losses recognised in the reporting period.

## Notes to the financial statements

For the year ended 31 December 2021

### 3. Income from operating activities

Income from operating activities is stated after charging:

	2021	2020
	£000	£000
Raw materials and consumables	830	926
Staff costs (see note 5)	8,596	9,292
External contractors	12,219	12,464
Maintenance and repairs	812	879
Expenses in relation to short term leases	35	33
Other	4,171	3,196
	<u>26,663</u>	<u>26,790</u>
Depreciation:		
- of right of use assets	261	185
	<u>26,924</u>	<u>26,975</u>

Expenses in relation to short term leases include the short term hire of equipment where the contract commitment is less than twelve months. There were no lease costs in relation to low value assets which are not already included within the short term leases value.

Raw materials and consumables and external contractor expenses have decreased from 2020 as a result of reduced decommissioning activities. Other costs have increased largely due to increased waste disposal costs in line with growth of the waste services offering.

Fees payable to the Company's auditor for the audit of the Company's annual financial statements of £23,013 (2020: £21,917) have been borne by the Company's parent undertaking, Urenco Limited. There were no non audit fees in the year (2020: nil).



## Notes to the financial statements

For the year ended 31 December 2021

### 4. Directors' remuneration and transactions

During the year, four Directors (2020: seven) were employed as Directors of the Company. The highest paid Director's remuneration, together with pension contributions relating to him, was paid by and charged in the accounts of another group Company, Urenco Limited. The remuneration of one other Director (2020: four) was paid by and charged in the accounts of other group companies.

The remaining two Directors (2020: two) were paid by Urenco Nuclear Stewardship Limited, and the amounts paid to them are as follows:

	2021 £000	2020 £000
Emoluments	338	280
Company contributions to a defined contribution pension plan	46	30
	<u>384</u>	<u>310</u>
	No.	No.
Members of Defined Contribution Pension Plan	2	2

The remuneration of the highest Director paid by the Company

	2021 £000	2020 £000
Aggregate emoluments	189	205
Company contributions to a defined contribution pension plan	25	19
	<u>214</u>	<u>224</u>

### Directors' transactions

No director had an interest in any transaction or arrangement made or entered into by the Company during the year ended 31 December 2021 (2020: none).

## Notes to the financial statements

For the year ended 31 December 2021

### 5. Staff costs

	2021	2020
	£000	£000
Wages and salaries	6,207	6,421
Social security costs	710	679
Pension costs	1,679	2,192
	<u>8,596</u>	<u>9,292</u>

The average monthly number of persons employed during the year was:

	2021	2020
Technical	62	58
Administration	32	31
	<u>94</u>	<u>89</u>

### 6. Interest receivable

	2021	2020
	£000	£000
Interest on non-current loan due from Parent Company		1,544
Interest on current loan due from Parent Company	1,130	25
	<u>1,130</u>	<u>1,569</u>

### 7. Interest payable

	2021	2020
	£000	£000
Unwinding of discount on contract liabilities	1,948	1,915
Interest expense on defined benefit pension	18	37
Interest on lease liabilities	1,203	859
	<u>3,169</u>	<u>2,811</u>

## Notes to the financial statements

For the year ended 31 December 2021

### 8. Taxation

#### a) Analysis of tax (credit)/charge in the income statement

	2021 £000	2020 £000
Current tax		
UK corporation tax on income for the year	(195)	7
Adjustment in respect of prior years	47	78
	<u>(148)</u>	<u>85</u>
Deferred tax		
Origination and reversal of temporary differences	8	34
Impact of change in deferred tax rate	(179)	(52)
Adjustment in respect of prior years	(47)	(69)
	<u>(218)</u>	<u>(87)</u>
Total tax charge/(credit)	<u>(366)</u>	<u>(2)</u>

#### b) Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2020: lower than) the average standard rate of corporation tax in the UK of 19.0% (2020: 19.0%). The differences are explained below:

	2021 £000	2020 £000
(Loss) / Profit before tax	(992)	210
(Loss) / Profit before tax multiplied by the average standard rate of corporation tax in the UK of 19.0% (2020: 19.0%)	(189)	40
Adjustment in respect of prior years	-	9
Expenses not deductible for tax purposes	0	1
Impact of change in deferred tax rate	(179)	(52)
Deferred tax rate difference to standard rate of corporation tax	2	-
Total tax charge / (credit)	<u>(366)</u>	<u>(2)</u>

#### c) Factors that may affect future tax charges

## Notes to the financial statements

For the year ended 31 December 2021

### 8. Taxation (continued)

During the year, an increase in the mainstream rate of UK corporation tax from 19.0% to 25.0%, effective 1 April 2023, was enacted. During 2020, an increase in the mainstream rate of UK corporation tax from 17.0% to 19.0%, effective 1 April 2020, was enacted. As a result, the Company's net deferred tax liabilities have been revalued using the 25.0% tax rate (2020: 19.0%), resulting in a £179k expense (2020: £52k expense) to the income statement. The annual UK corporation tax rate for the year ended 31 December 2021 remained at 19.0% (2020: 19.0%).

(d) Deferred tax assets	Relating to property, plant and equipment	Relating to retirement benefit obligations	Relating to other temporary differences	Total
	£000	£000	£000	£000
<b>At 1 January 2020</b>	34	336	2	372
(Charge) / credit in the income statement	39	-	48	87
(Charge) / credit in comprehensive income	-	61	-	61
<b>At 31 December 2020</b>	73	397	50	520
<b>At 1 January 2021</b>	73	397	50	520
(Charge) / credit in the income statement	142	-	76	218
(Charge) / credit in comprehensive income	-	(527)	-	(527)
<b>At 31 December 2021</b>	215	(130)	126	211

(e) Current and deferred tax amounts recorded in comprehensive income are as follows:

	2021 £000	2020 £000
Current tax (charge) / credit on actuarial loss	-	15
Deferred tax (charge) / credit relating to actuarial gain / (loss)	(527)	61
<b>Overall tax (charge) / credit to other comprehensive income</b>	<b>(527)</b>	<b>76</b>

## Notes to the financial statements

For the year ended 31 December 2021

### 9. Property, plant and equipment

	<i>Assets Under Construction £000</i>	<i>Land and buildings £000</i>	<i>Plant and machinery £000</i>	<i>Fixtures, fittings &amp; computer equipment £000</i>	<i>Total £000</i>
<b>Cost:</b>					
At 31 December 2020	-	16,096	294	17	16,407
Additions	714	1,959	-	74	2,747
Disposals	-	-	-	-	-
At 31 December 2021	<u>714</u>	<u>18,055</u>	<u>294</u>	<u>91</u>	<u>19,154</u>
<b>Depreciation:</b>					
At 31 December 2020	-	346	255	17	618
Charge for the year	-	236	16	9	261
Disposals	-	-	-	-	-
At 31 December 2021	<u>-</u>	<u>582</u>	<u>271</u>	<u>26</u>	<u>879</u>
<b>Net book value:</b>					
At 31 December 2021	<u>714</u>	<u>17,473</u>	<u>23</u>	<u>65</u>	<u>18,275</u>
At 31 December 2020	<u>-</u>	<u>15,750</u>	<u>39</u>	<u>-</u>	<u>15,789</u>

All amounts under land and buildings relate to a long term intercompany lease recognised under IFRS16.

## Notes to the financial statements

For the year ended 31 December 2021

### 9. Property, plant and equipment (continued)

From 1 January 2019, following the adoption of IFRS 16, right-of-use assets have been included within property, plant and equipment; see the following table for further details.

	<i>Right of use land and buildings £000</i>	<i>Right of use fixtures and fittings £000</i>	<i>Right of use vehicles £000</i>	<i>Total £000</i>
Cost:				
At 1 January 2021	16,096	-	42	16,138
Additions	1,959	74	-	2,033
At 31 December 2021	<u>18,055</u>	<u>74</u>	<u>42</u>	<u>18,171</u>
Depreciation:				
At 1 January 2021	346	-	3	349
Depreciation charge for the year	236	9	16	261
At 31 December 2021	<u>582</u>	<u>9</u>	<u>19</u>	<u>610</u>
Net book value:				
At 31 December 2021	<u>17,473</u>	<u>65</u>	<u>23</u>	<u>17,561</u>
At 31 December 2020	<u>15,750</u>	<u>-</u>	<u>39</u>	<u>15,789</u>

The total cash outflow relating to right of use assets for the reporting period was £876,139 (2020: £897,240).

## Notes to the financial statements

For the year ended 31 December 2021

### 10. Trade and other receivables

The Company has two loans due from the Parent Company. The first (£23,859,000) attracts interest at a fixed rate of 4% per annum and is repayable in 2022. The second loan (£20,000,000) attracts interest at a fixed rate of 1% per annum and is repayable in 2022.

Under IFRS 9, a provision for Expected Credit Losses is recorded against the loan from the Parent Company of £53,000 (2020: £53,000).

Neither of the loans are secured on the Company's assets.

#### *Amounts falling due after one year*

	2021	2020
	£000	£000
Loan due from Parent Company	-	43,859
	-	43,859

#### *Amounts falling due within one year*

	2021	2020
	£000	£000
Amounts due from Parent Company	51,617	9,301
Trade receivables	1,843	1,594
Prepayments and accrued income	1,798	155
Other receivables	5	4
	55,263	11,054

The amount due from the Parent Company is subject to interest based on the 1 month Libor plus 10 basis points. The average rate prevailing in the year was 0.15% (2020: 0.34%). This intercompany receivable is not secured on the Company's assets and is repayable within one year.

## Notes to the financial statements

For the year ended 31 December 2021

### 11. Trade and other payables

Contract liabilities are in respect of the advance payment for the future storage services provided by UNS over the next 58 years. No securities have been given on any of the above liabilities.

#### *Amounts falling due in greater than one year*

	2021 £000	2020 £000
Contract liabilities	26,929	26,528
	<u>26,929</u>	<u>26,528</u>

The amount for contract liabilities as at 1 January 2020 was £26.129m.

#### *Amounts falling due within one year*

	2021 £000	2020 £000
Trade payables	2,023	1,222
Other taxes and social security costs	97	134
Contract liabilities	1,548	1,518
Retentions	52	55
Accruals	2,524	1,780
	<u>6,244</u>	<u>4,709</u>

The amount for contract liabilities as at 1 January 2020 was £1.489m.



## Notes to the financial statements

For the year ended 31 December 2021

### 12. Provisions

The Company has recognised a personnel provision relating to termination benefits which will become payable upon employee leaving date. Termination benefits have been provided for once the employee has accepted the Company's offer of those benefits and the individual's leaving date had been formally agreed in accordance with IAS37.

£158,000 of the year end provision will be utilised within the first quarter of 2022 in line with the outflow of the related economic benefits. The provision value is certain and reflects the values stated in the individual's settlement agreement.

The non-current year end provision balance of £324,000 will remain in place until 2028 when the related outflow of economic benefits will occur. The value of this provision is based on information provided by the pension scheme actuary.

The annual movement in provision balance is detailed in the below table.

	2021 £000
Personnel provision as at 1st January 2021	982
Provisions made during the year	158
Provisions utilised during the year	(657)
Balance as at 31st December 2021	<u>483</u>

### 13. Called up share capital

	2021 No.	2020 No.	2021 £	2020 £
<i>Authorised</i>				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
	2021 No.	2020 No.	2021 £	2020 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

## Notes to the financial statements

For the year ended 31 December 2021

### 14. Capital contribution reserve

	2021	2020
	£000	£000
Capital contribution	20,000	20,000

In 2015 the Parent Company made a capital contribution to Urenco Nuclear Stewardship Limited of £20 million.

### 15. Movements on retained earnings

	<i>Retained Earnings £000</i>
At 1 January 2020	(62)
Net income for the year	212
Actuarial loss recognised on defined benefit pension plan	(400)
Current tax on actuarial loss on defined benefit scheme	15
Deferred tax on actuarial loss on defined benefit scheme	61
At 31 December 2020	(174)
At 1 January 2021	(174)
Net loss for the year	(626)
Actuarial gain recognised on defined benefit pension plan	2,109
Current tax on actuarial gain on defined benefit scheme	-
Deferred tax on actuarial gain on defined benefit scheme	(527)
At 31 December 2021	782

## Notes to the financial statements

For the year ended 31 December 2021

### 16. Retirement benefit obligations

#### **Defined contribution schemes**

In 2008, the Company introduced a defined contribution plan for new employees. The total cost of defined contribution arrangements of £583,000 (2020: £677,000) has been fully expensed against income in the current year.

#### **Defined benefit schemes**

Urenco Group operates a multi-employer defined benefit plan, administered by a separate independent trust-administered fund. The assets and liabilities of Urenco Group can be identified separately from those of other sponsoring companies of the scheme. The assets and liabilities for Urenco Nuclear Stewardship Limited, which forms part of Urenco Group, can be identified and the disclosures in respect of Urenco Nuclear Stewardship Limited's pension liabilities are included below.

The pension cost figures included in the accounts relating to the pension plan are stated in accordance with IAS 19 Employee Benefits. On 10 August 2009, the company's defined benefit scheme merged with the Urenco Limited pension scheme.

For certain members, the scheme was closed for further accrual from 5 April 2017 following consultations with employees and their representatives and the pension scheme trustees.

The closure for future accrual cannot be put in place for all members of the Final Salary section. Most members have Energy Act protection and the Company has put in place a Scheme with the same benefits and contribution rates for those members with Energy Act protection.

The scheme chose not to adopt CPI as permitted under recent legislative changes and therefore there have been no changes to the scheme liabilities in respect of this.

The valuation of the retirement benefit obligation is subject to estimation uncertainties including, amongst others, the discount rate; the future rate of return on plan assets and liabilities; the future inflation rate; and mortality rates. The amounts recognised as retirement benefit obligations are sensitive to changes in these assumptions. The related assets of the defined benefit plans expose the Company to market price volatility and default risk regarding the investments held by these pension funds. The duration of the defined benefit obligation at 31 December 2021 was 25.8 years (31 December 2020: 27.6 years).

Due to the long-term nature of pension plans, estimates are subject to significant uncertainty. A sensitivity analysis has been completed and concluded that a 0.25% increase to discount rate would cause a £1.3m reduction in deficit, resulting in a surplus position. Similarly, a 0.25% decrease to the discount rate would cause a £1.4m increase in deficit. In addition, a 0.25% increase to inflation rate would cause a £1.4m increase to the pension deficit and a 0.25% decrease to the inflation rate would cause a £0.8m decrease to the pension deficit.

## Notes to the financial statements

For the year ended 31 December 2021

### 16. Retirement benefit obligations (continued)

Amounts recognised in statement of financial position

	2021	2020
	£000	£000
Present value of funded obligations	(21,500)	(21,740)
Fair value of scheme assets – Equities	6,354	9,118
Fair value of scheme assets – Bonds	14,917	10,324
Deficit in scheme	<u>(229)</u>	<u>(2,298)</u>

Scheme assets are measured at fair value, which is based upon market price information, and in the case of quoted securities is the published bid price.

## Notes to the financial statements

For the year ended 31 December 2021

### 16. Retirement benefit obligations (continued)

	2021 £000	2020 £000
Benefit obligation at beginning of year	21,740	19,382
Current service cost	864	1,089
Interest cost	351	416
Employee contributions	7	11
Benefits paid	(254)	(499)
Past service costs	231	687
Settlements	-	(1,385)
Actuarial (gains) / losses	(1,439)	2,039
Benefit obligation at end of year	21,500	21,740
<b>Change in plan assets</b>		
	2021 £000	2020 £000
Fair value of plan assets at beginning of year	19,442	17,405
Employer contributions	1,074	1,630
Employee contributions	7	11
Benefits paid	(254)	(499)
Interest income	333	379
Actuarial gains	670	1,640
Settlements	-	(1,122)
Administration expenses paid from scheme assets	(1)	(2)
Fair value of plan assets at end of year	21,271	19,442
<b>Components of retirement benefit obligations cost</b>		
	2021 £000	2020 £000
Current service cost	864	1,089
Interest cost	351	416
Interest income on scheme assets	(333)	(379)
Past service costs	231	687
Settlements	-	(263)
Administrative expenses and taxes	1	2
Total retirement benefit obligation cost recognised in the income statement	1,114	1,552

## Notes to the financial statements

For the year ended 31 December 2021

### 16. Retirement benefit obligations (continued)

#### Amount recognised in statement of comprehensive income ("SOCl")

	2021	2020
	£000	£000
Actuarial gain / (loss)	2,109	(400)
Total retirement benefit obligation movement recognised in the SOCI	2,109	(400)

#### Weighted average assumptions used to determine benefit obligations at::

	2021	2020
Discount rate	1.8%	1.4%
Rate of increase in salaries	4.3%	3.9%
Rate of increase of pensions in payment (pre 1 March 2010)	3.3%	2.9%
Rate of increase in deferred pensions (pre 1 March 2010)	3.3%	2.9%
Rate of increase of pensions in payment (post 28 February 2010)	3.3%	2.9%
Rate of increase in deferred pensions (post 28 February 2010)	3.3%	2.9%
Inflation assumption	3.3%	2.9%
Life expectancy for a male pensioner aged 65 (in years)	22.3	22.9
Life expectancy for a male non-pensioner aged 45 from 65 (in years)	23.7	25.1

The Company contributions to the defined benefit plan paid in respect of the year were £1,070,000 (2020: £1,630,000). Regular contributions to the plan from both the members and employer for the year beginning 1 January 2022 are expected to be £2,205,000. This reflects the increased contributions as calculated during the 2021 triennial valuation.

### 17. Immediate and ultimate parent undertaking

Urenco Nuclear Stewardship Limited is a wholly owned subsidiary of Urenco Limited, which is the immediate and ultimate parent undertaking and controlling party and heads both the largest and smallest group for which consolidated financial statements are prepared and of which the Company is a member. Copies of Urenco Limited's accounts may be obtained from its registered office at Urenco Court, Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire, SL2 4JS.

## Notes to the financial statements

For the year ended 31 December 2021

### 18. Contingent liability

There are no contingent liabilities (2020: none).

### 19. Related party transactions

Urenco Nuclear Stewardship Limited is a wholly owned subsidiary of Urenco Limited and as such has taken advantage of the exemption available under FRS 101 not to disclose transactions with other members of the Urenco Limited group.

During the year, the Company entered into the following transactions with the following related parties:

	Sale of goods and services		Purchases of goods and services		Amounts owed by related parties		Amounts owed to related parties	
	2021	2020	2021	2020	2021	2020	2021	2020
	£000	£000	£000	£000	£000	£000	£000	£000
BEIS	24,283	26,365	-	-	2,035	1,975	-	-
Total	24,283	26,365	-	-	2,035	1,975	-	-

The Department for Business, Energy and Industrial Strategy (BEIS) is a related party of the Group because of its indirect shareholdings in Urenco Limited.

Sales of goods and services to related parties and purchases of goods and services from them were made under the Group's normal trading terms and conditions.

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provisions have been made and no expense incurred for doubtful debts in respect of the amounts owed by related parties.

### 20. Events after reporting date

As of 18 May 2022, no other material structural changes or business events have occurred that might serve to alter any of the disclosures contained in the 2021 financial statements.