

U-BATTERY LIMITED

Annual Report and Financial Statements

For the year ended
31 December 2021

Registered Number 07479467



Corporate Information

Board of Directors

B Schucht
R ter Haar

Auditor

Deloitte LLP
Statutory Auditor
London

Registered Office

Urenco Court
Sefton Park
Bells Hill
Stoke Poges
Buckinghamshire
United Kingdom
SL2 4JS

Registered Number

07479467

Strategic Report

Principal activity and review of the business

The principal activity of U-Battery Limited ("the Company") is to provide support to U-Battery Developments Limited in the early phase development and design of micro nuclear reactors for energy generation for low carbon economic usage.

Potential commercial design is for a 4 MWe high-temperature gas-cooled advanced/small modular reactor, capable of providing a low-carbon, cost-effective, locally embedded and reliable source of power and heat for energy-intensive industries and remote locations.

The Company has generated no revenue during 2021, therefore no key performance indicators were deemed to be relevant for inclusion in the Strategic Report. U-Battery Limited's activity has increased during 2021 as Phase two of the Advanced Modular Reactor (AMR) project has progressed.

Principal risks and uncertainties

The Company is dependent on the Urenco Limited Group ("Urenco") for the provision of funding. The Company has received a letter of financial support from its parent company to assist in meeting its liabilities as they fall due for a period of at least 12 months from the signing of these financial statements.

Regulatory risk

The majority of U-Battery Limited spend is on professional services with UK suppliers, however where expenditure is incurred outside of the UK, the Company has reviewed the risks in relation to Brexit and has not experienced any material delay to business objectives following the end of the Brexit transition period.

Credit risk

The Company does not have any receivables other than unpaid share capital and intercompany balances, therefore there is no associated credit risk.

Interest rate risk

The Company is not exposed to interest rate risk on its payable balances. The primary balance is with the ultimate parent company, Urenco Limited.

Liquidity risk

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

Covid-19 risk

The Directors have considered the impact of Covid-19 on the Company and have concluded that there is no substantial impact on its business.

Future developments

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

Approved and authorised on behalf of the Board



R. ter Haar
Director
Date: 22 July 2022

Directors' Report

The Directors present their annual report and financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £1,245,000 (2020: £616,000).

The Directors do not recommend payment of a dividend for the year (2020: £nil).

Going Concern

After making enquiries the Directors consider it appropriate to prepare the accounts on a going concern basis. The Directors have considered that the parent company, Urenco Limited, has provided a letter of support for the Company. The Directors confirm that the Company will continue to trade and will remain in operational existence for the foreseeable future. There are no plans to liquidate the entity.

The Directors have considered financial risks and these are mentioned in more detail in the Strategic Report.

Future developments

The Directors anticipate that the Company will continue to provide support to U-Battery Developments Limited in the design of technological advances that will potentially result in Government approval of the designs and result in future manufacture of micro nuclear reactors.

Research and Development

During 2021 the Company's project to develop micro nuclear reactors continued to progress according to plan.

Events after the statement of financial position date

As of 22 July 2022, no material structural changes or business events have occurred that might serve to alter any of the disclosures contained in the 2021 financial statements.

Sustainability

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

Directors

The Directors who served during the year, at 31 December 2021 and at the date of this report are listed on page 1.

Directors' interests

The Directors did not have any interests in the share capital of the Company or of any Group company at any time during the year. The Directors did not have any material interest during the year in any contract 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 ought to have taken as a Director in order to make himself 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

A resolution to reappoint Deloitte LLP as auditor will be made by written shareholder resolution on 22 July 2022.

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

Approved and authorised on behalf of the Board



R ter Haar
Director
Date: 22 July 2022

Directors' Statement of Responsibilities

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 FRS 101 "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 U-Battery Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of U-Battery 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 which comprise:

- the income statement;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 12.

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.

Independent Auditor's Report to the members of U-Battery Limited (continued)

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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. 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.

Independent Auditor's Report to the members of U-Battery Limited (continued)

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.

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 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.

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 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 has 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 and the Directors' Report.

Independent Auditor's Report to the members of U-Battery Limited (continued)

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

28 July 2022

Income Statement

For the year ended 31 December 2021

	<i>Notes</i>	<i>2021</i>	<i>2020</i>
		<i>£000</i>	<i>£000</i>
Other Income		<u>-</u>	<u>-</u>
Third party services		(850)	(314)
Intercompany services and group recharges		(139)	(379)
Other expenses		(548)	(68)
Loss from operating activities	2	<u>(1,537)</u>	<u>(761)</u>
Tax credit / (charge)	5	<u>292</u>	<u>145</u>
Net loss for the year		<u><u>(1,245)</u></u>	<u><u>(616)</u></u>

All items in the income statement relate to continuing operations. No statement of comprehensive income was prepared as no other comprehensive income was incurred.

Statement of Financial Position

As at 31 December 2021

	Notes	2021 £000	2020 £000
Non-current assets			
Investments		-	-
Current assets			
Trade and other receivables	7	25	14
Corporation tax receivable		436	158
Total assets		<u>461</u>	<u>172</u>
Current liabilities			
Trade and other payables	8	<u>2,322</u>	<u>788</u>
		<u>2,322</u>	<u>788</u>
Total liabilities		<u>2,322</u>	<u>788</u>
Net liabilities		<u>(1,861)</u>	<u>(616)</u>
Equity			
Called up share capital	9	-	-
Shareholders' deficit	10	<u>(1,861)</u>	<u>(616)</u>
Total equity		<u>(1,861)</u>	<u>(616)</u>

Registered Number 07479467

The financial statements were approved and authorised for issue by the Board of Directors on 22 July 2022


R ter Haar
Director

Statement of Changes in Equity

For the year ended 31 December 2021

	<i>Called Up Share Capital £000</i>	<i>Shareholders' Deficit Note 10 £000</i>	<i>Attributable to the owners of the Company £000</i>
As at 1 January 2021	-	(616)	(616)
Loss for the year	-	(1,245)	(1,245)
Total comprehensive loss	-	(1,245)	(1,245)
As at 31 December 2021	-	(1,861)	(1,861)
As at 1 January 2020	-	-	-
Loss for the year	-	(616)	(616)
Total comprehensive loss	-	(616)	(616)
As at 31 December 2020	-	(616)	(616)

Notes to the financial statements

For the year ended 31 December 2021

1. Accounting policies

General Information

U-Battery Limited is a private company limited by shares, domiciled and incorporated in the United Kingdom (England and Wales).

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 22 July 2022 and the statement of financial position was signed on behalf of the Board by R ter Haar.

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 yet effective and related party transactions. Where required, equivalent disclosures are given in the Group accounts of Ureco Limited. The Group accounts of Ureco Limited are available to the public and can be obtained as set out in note 11.

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.

Consolidation

The Company is a wholly owned subsidiary of Ureco Limited and it is included in the consolidated financial statements of Ureco Limited, which are publicly available as set out in note 11. Therefore the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

Going concern

After making enquiries the Directors consider it appropriate to prepare the accounts on a going concern basis. The Directors have considered that the parent company, Ureco Limited, has provided a letter of support for the Company. The Directors confirm that the Company will continue to trade and will remain in operational existence for the foreseeable future. There are no plans to liquidate the entity.

Notes to the financial statements (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)**Amendments to accounting standards that are mandatorily effective for the current year**

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 (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)

Critical accounting judgements and key sources of estimation uncertainty

In the process of preparing financial statements, management may be required to make significant estimates, assumptions and judgements that can have a significant impact on the financial statements. Management concluded that there are no significant accounting judgements or key sources of estimation uncertainty.

Foreign currencies

The Company's functional currency is Sterling and the financial statements are presented in Sterling. Transactions in foreign currencies are recorded at the rate at the date of the transaction. Monetary assets and liabilities in foreign currencies are re-translated at rates of exchange ruling at the reporting date. All differences are recognised in the Income Statement.

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 balance sheet 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 (continued)

For the year ended 31 December 2021

2. Audit fees

The audit fee for auditing the Company's financial statements for the year was £9,625 (2020 £9,167) which was paid by Urenco Limited with no reimbursement by the Company. There were no non-audit fees in 2021 (2020 £nil).

3. Directors' emoluments

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, as was the remuneration of the other Directors. No amounts were reimbursed by the Company in respect of these remuneration costs.

4. Staff costs

The average monthly number of employees excluding executive Directors was nil (2020: nil), as all staff duties were performed on the Company's behalf by employees from other Group companies.

5. Taxation

a) Analysis of tax in the Income Statement

The tax credit for the year is £292,000 (2020: £145,000), based on an accounting loss before tax of £1,537,000 (2020: £761,000).

The tax assessed for the year is equal to (2020: equal to) the average standard rate of corporation tax in the UK of 19.0% (2020: 19.0%).

b) Factors that may affect future tax charges

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, a planned decrease in the mainstream rate of UK corporation tax from 19.0% to 17.0%, effective 1 April 2020, was cancelled. The annual UK corporation tax rate for the year ended 31 December 2021 remained at 19.0% (2020: 19.0%).

c) Deferred tax

There is no deferred tax.

Notes to the financial statements (continued)

For the year ended 31 December 2021

6. Investment in subsidiary undertakings

	Ordinary shares in subsidiary undertakings £
Cost as at 1 January and 31 December 2021	2

At 31 December 2021 the Company's investments comprised shareholdings in the following subsidiary undertakings:

	Nature of business	Place of incorporation (or registration) and operation	Proportion of ownership interest	Proportion of voting power held
U-Battery Canada Limited	New technology	Canada	100%	100%
U-Battery Developments Limited	New technology	UK	100%	100%

	Address of registered office
U-Battery Canada Limited	250 Howe Street, Suite 1400, Vancouver, British Columbia, V6C3S7, Canada
U-Battery Developments Limited	Urenco Court, Sefton Park, Bells Hill, Stoke Poges, Buckinghamshire, SL2 4JS, UK

7. Trade and other receivables

	2021 £000	2020 £000
VAT receivable	25	14
	25	14

8. Trade and other payables: amounts falling due within one year

	2021 £000	2020 £000
Amounts owed to Group undertakings	2,232	749
Trade payables	35	39
Accruals	55	-
	2,322	788

The amount owed to Group undertakings is owed to the parent Company and is not currently subject to any interest. Both companies are based in the UK and the Group has a Group taxation agreement. This intercompany payable is not secured on the Company's assets and is repayable within one year.

Notes to the financial statements (continued)

For the year ended 31 December 2021

9. Share capital

	2021 £	2020 £
Authorised		
1 Ordinary share of £1	1	1
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

On incorporation the Company allotted 1 ordinary share with a nominal value of £1.

10. Movement on shareholders' deficit

	<i>Shareholders' Deficit £000</i>
At 1 January 2020	-
Net loss for the year	(616)
At 31 December 2020	(616)
At 1 January 2021	(616)
Net loss for the year	(1,245)
At 31 December 2021	(1,861)

11. Immediate and ultimate parent undertaking

The Company's immediate parent undertaking is Urenco Limited.

Urenco Limited is the ultimate parent undertaking, it is also the controlling party and heads both the largest and smallest group for which consolidated accounts 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, UK.

12. Events after the statement of financial position date

As of 22 July 2022, no material structural changes or business events have occurred that might serve to alter any of the disclosures contained in the 2021 financial statements.