

Registered Number 06040606

UK Nuclear Waste Management Limited

Annual report and financial statements for the year ended 31 March 2021



UK Nuclear Waste Management Limited

Annual report for the year ended 31 March 2021

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UK Nuclear Waste Management Limited

Directors and statutory information

Directors

RM Grenier
D G Thompson
D Oxberry
P Pointon
D Batters

Secretary

R C Cowen

Auditor

Mazars LLP
One St Peter's Square
Manchester
M2 3DE

Registered Office

UK Nuclear Waste Management Limited
Low Level Waste Repository Ltd
Old Shore Road
Drigg
Holmrook
Cumbria, UK
CA19 1XH

Registered Number

06040606

UK Nuclear Waste Management Limited

Strategic report for the year ended 31 March 2021

The directors present their Strategic report for the year ended 31 March 2021.

Principal activities

UKNWM's ("Company's") principal activity is to act as the Parent Body Organisation ("PBO") of LLW Repository Limited ("LLWR Limited") which manages and operates the Low Level Waste Repository ("LLWR") on behalf of the Nuclear Decommissioning Authority ("NDA"). The Company acquired 100% of the issued share capital of LLWR Limited together with the associated voting rights on 1 April 2008.

As a result of the operation of the contractual arrangement between the Company, LLW Repository Limited and the Nuclear Decommissioning Authority, the directors have concluded that, although the investment in LLW Repository Limited is a legal subsidiary undertaking within the meaning of S1162 of Companies Act 2006, the circumstances are such that the Company is restricted from controlling its legal subsidiary and instead has significant influence over it. As a consequence, under S405 (3) (a) of Companies Act 2006, the Company has concluded that it should not consolidate its legal subsidiary. In accordance with IFRS 10, as the Company has no other legal subsidiary undertakings, the Company has further concluded that it should not prepare consolidated financial statements.

The Company's principle role is the management of LLWR. The Company has an obligation to fund a £1,000,000 working capital facility. This enables LLWR Limited to meet its liabilities in advance of funding being made available from the NDA under defined contract terms.

The Company's shareholders are Amentum International Holdings (75%), Studsvik Limited (15%) and Orano Cycle (10%). There have been no changes in shareholdings in the financial year.

Review of business and future developments

The key financial performance indicators monitored by the directors include turnover, dividend income and profit before tax. The profit for the year of the Company was £3,596,000 (2020: £3,499,000), including £3,727,000 (2020: £3,571,000) of equity accounted profits relating to LLWR Limited.

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Strategic report for the year ended 31 March 2021

Review of business and future developments (continued)

Revenue earned by the Company was £890,000 (2020: £1,002,000). The decrease in revenue was the result of changes in the mix of the management team providing services to LLWR. The Company's own administrative costs totalled £127,000 (2020: £71,000). The increase in administrative expense is primarily due to an increase of legal costs due to the contract termination. Profit before tax increased to £3,600,000 in 2021 from £3,500,000. The Company's performance has been in line with the directors' expectations.

The directors consider that there are no non-financial performance indicators.

The impact of Covid-19

The long-term consequences of the Covid-19 global pandemic remain uncertain; however, the Directors are satisfied that the Company's emergency response and business continuity arrangements have been robust and have prevented to the best possible extent Covid-19 from having a material adverse effect on the Company's financial condition or liquidity.

Principal risks and uncertainties

The principal risks faced by the Company during the year 31st March 2021 were as listed below. These are no longer applicable following the termination of the NDA contract on the 12 July 2021:

- Ownership change - The Company's financial outturn is principally from dividends from LLWR. If the Company ceased to be the owner of LLWR there would be an impact on the Company's dividend stream
- Performance of LLWR - The principal role of LLWR Limited is to operate the LLWR nuclear site under a site licence and an operation contract (M&O contract) with the NDA. LLWR's operational achievement is measured against the NDA's performance-based incentives (PBIs) and waste diversion targets. These form the basis of fees earned under the M&O contract and associated Parent Body Agreement (PBA). Should LLWR not perform there would be an impact on the Company's dividend stream.

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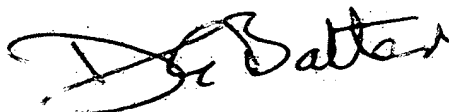
Strategic report for the year ended 31 March 2021

In addition the Company has identified the risk of bearing any disallowable costs that would not be borne by either LLWR Limited or the NDA. This risk is managed and mitigated by the Company's governance procedures and its oversight of LLWR Limited.

Financial instruments

The risks associated with financial instruments, and the financial instrument risk management objectives, policies and strategies are discussed in note 14 of these financial statements.

By order of the Board

A handwritten signature in black ink, appearing to read 'D Batters', is written over a faint, larger version of the same signature.

D Batters
Director
13 December 2021

UK Nuclear Waste Management Limited

Directors' report for the year ended 31 March 2021

The directors present their directors' report for the year ended 31 March 2021.

Going concern

The Company's forecasts and projections of the return on its investment in its legal subsidiary, taking into account possible changes in circumstances, indicate that the future cash flows from the Company's investments will enable the Company to meet short term liabilities. The customer (NDA) has terminated the contract for convenience which resulted in the share transfer on 12 July 2021. The Company will however continue to exist for some time whilst tax issues are closed out and dividends received. The shareholders have commenced initial discussions about the possibility of bidding for new work together. The directors have therefore, prepared the financial statements on a going concern basis.

Future developments

The Company will continue to meet its financial commitments and explore opportunities for new contracts.

Results and dividends

The profit after taxation amounted to £3,596,000 (2020: £3,499,000); the directors have recommended and paid dividends of £1,586,000 (2020: £4,032,000) to the shareholders of UK Nuclear Waste Management Limited in respect of the year ended 31 March 2021.

Distributable retained earnings

At the year end the Company has reserves of £3,921,000 (2020: £1,911,000). This balance includes the equity accounted profit of Low Level Waste Repository Limited of £3,727,000 for the current year (2020: £3,571,000) less the PBO's own costs, less dividends paid during the year of £1,586,000. Distributable retained earnings of the Company are based upon dividends received from Low Level Waste Repository Limited rather than equity accounted profit. At the year-end distributable retained earnings were £28,000 (2020: £158,000) (see note 16).

Post balance sheet events

LLW Repository Limited paid dividends to the Company post year end, as follows:

22nd April 2021 for £1,914,000;
25th May 2021 for £1,953,000; and
9th July 2021 for £1,037,000.

The contract with Nuclear Decommissioning Authority (NDA) concluded 12 July 2021.

Charitable donations

The Company has made no charitable donations during the year to local charities (2020: £10,000).

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Directors' report for the year ended 31 March 2021

Directors

The company paid £18,000 (2020: £11,000) for directors and officers liability insurance. The level of cover is £1,500,000.

The directors who held office during the year and up to the date of the approval of these financial statements are given below

RM Grenier
D G Thompson
D Oxberry
P Pointon
D Batters

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable United Kingdom law and International Financial Reporting Standards.

Under Company Law the directors must not approve the Company's financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Company for the year. In preparing these financial statements the directors are required to:

- select suitable accounting policies in accordance with IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- state that the Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements; and
- make judgments and estimates that are reasonable and prudent.

The directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 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.

Auditor

Each person 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 themselves 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.

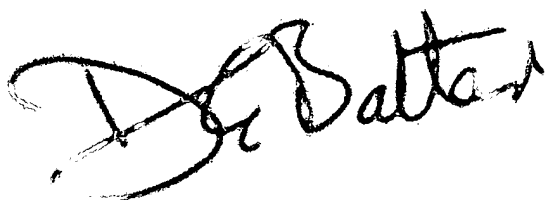
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Directors' report for the year ended 31 March 2021

Annual General Meetings and Auditor

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

By order of the Board

A handwritten signature in black ink, appearing to read 'D Batters', with a large, stylized initial 'D'.

D Batters
Director
13 December 2021

UK Nuclear Waste Management Limited

Independent auditor's report to the members of UK Nuclear Waste Management Limited

Opinion

We have audited the financial statements of UK Nuclear Waste Management Limited (the 'Company') for the year ended 31 March 2021 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended; and
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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.

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

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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.

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.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

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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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: bribery act; anti-money laundering regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to determining control and equity accounting for LLW Repository Limited, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and

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- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

Use of the audit 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.



Timothy Hudson (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

One St Peters Square, Manchester, M2 3DE

Date: 17 December 2021

UK Nuclear Waste Management Limited

Income statement for the year ended 31 March 2021

		2021	2020
	Notes	£'000	£'000
Revenue	2	890	1,002
Cost of sales		(890)	(1,002)
Gross profit		-	-
Administrative expenses		(127)	(71)
Operating loss	3	(127)	(71)
Share of post-tax results of associate	8	3,727	3,571
Finance revenue	5	15	21
Finance expense	6	(15)	(21)
Profit before taxation		3,600	3,500
Tax on profit	7	(4)	(1)
Profit for the financial year	16	3,596	3,499

All of the results included in the profit and loss account are from continuing activities.

The Company has no other comprehensive income other than the results for the year as set out above.

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Statement of financial position as at 31 March 2021

	Notes	2021 £'000	2020 £'000
ASSETS			
Non-current assets			
Investments accounted for using the equity method	8	3,893	1,752
Loans to associated undertakings	9	-	1,000
		3,893	2,752
Current assets			
Loans to associated undertakings	9	1,000	-
Current trade and other receivables	10	107	277
Cash and cash equivalents	11	65	1,334
		1,172	1,611
LIABILITIES			
Current liabilities			
Financial liabilities	13	(1,000)	-
Trade and other payables	12	(144)	(1,452)
		(1,144)	(1,452)
Net current assets		28	159
Total assets less current liabilities		3,921	2,911
Non-current liabilities			
Financial liabilities	13	-	(1,000)
Net assets		3,921	1,911
Equity			
Share capital	15	-	-
Retained earnings	16	3,921	1,911
Total equity attributable to equity holders of the Company	16	3,921	1,911

Company Number: 06040606

The financial statements were approved by the board of directors on 13 December 2021 and were signed on its behalf by:



D Batters

Director

UK Nuclear Waste Management Limited

Statement of changes in equity for the year ended 31 March 2021

	Note	Equity share capital £'000	Retained earnings £'000	Total Equity £'000
At 1 April 2019		-	2,444	2,444
Total comprehensive income for the year		-	3,499	3,499
Equity dividends paid		-	(4,032)	(4,032)
At 1 April 2020		-	1,911	1,911
Total comprehensive income for the year		-	3,596	3,596
Equity dividends paid		-	(1,586)	(1,586)
At 31 March 2021	16	-	3,921	3,921

At 31 March 2021 the amount recorded within reserves which is not considered distributable is £3,893,000 (2020: £1,753,000). The distributable retained earnings at 31 March 2021 are £28,000 (2020: £158,000).

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Statement of cash flows for the year ended 31 March 2021

	Notes	2021 £'000	2020 £'000
<i>Cash flow from operating activities</i>			
Operating loss		(127)	(71)
Decrease / (Increase) in receivables		169	(203)
(Decrease) / Increase in payables		(1,308)	1,365
Cash absorbed by operations		(1,266)	1,091
Income tax paid		(3)	(2)
<i>Net cash (outflow) / inflow from operating activities</i>		(1,269)	1,089
<i>Investing activities</i>			
Interest received		15	21
Dividends received from subsidiary undertaking		1,586	4,003
<i>Net cash inflow from investing activities</i>		1,601	4,024
<i>Financing activities</i>			
<i>Interest paid</i>		(15)	(20)
Dividends paid to shareholders		(1,586)	(4,032)
<i>Net cash outflow from financing activities</i>		(1,601)	(4,052)
<i>Net (outflow) / inflow in cash and cash equivalents</i>		(1,269)	1,061
Cash and cash equivalents at the beginning of the year		1,334	273
<i>Cash and cash equivalents at the year end</i>	11	65	1,334

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

Basis of preparation

UK Nuclear Waste Management Limited is a private company limited by shares, incorporated and domiciled in England and Wales. The financial statements have been prepared in accordance with international financial reporting standards and those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

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

New standards and interpretations applied

The adoption of the following mentioned standards, amendments and interpretations in the current year have not had a material impact on the Company's financial statements for the year ended 31 March 2021

Amendments:	Effective date:
Amendments to references to the conceptual framework in IFRS Standards	1 January 2020
Definition of a Business (IFRS 3)	1 January 2020
Definition of Material (Amendments to IAS 1 and IAS 8)	1 January 2020
Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7)	1 January 2020
Covid-19 Related Rent Concessions (Amendment to IFRS 16)	1 June 2020
Interest Rate Benchmark Reform – Phase 2 (IFRS 9, IAS39, IFRS 7, IFRS 4 & IFRS 16)	1 January 2021

Interests in associates

The Company's interest in its associates, being those entities over which it has significant influence, and which are neither subsidiaries nor joint ventures, are accounted for using the equity method of accounting. Under the equity method, the investment in the associate is carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the associate, less distributions received and less any impairment in value of individual investments. The income statement reflects the share of the associate's income after tax, and the statement of comprehensive income represents the share of the associates other comprehensive income after tax.

Financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies used into line with those of the Company; to take into account fair values assigned at the date of acquisition and to reflect impairment losses where appropriate. Adjustments are also made in the equity accounted financial statements to eliminate the share of unrealised gains and losses on transactions between the Company and its associates.

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies (continued)

Revenue recognition

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 at the fair value of consideration received or receivable, excluding value added tax. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue for secondeed services supplied to LLWR Limited is recognised based upon time, expenses incurred and performance criteria.

Interest income

Revenue is recognised as interest accrues using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount.

Dividends

Revenue is recognised when the Company's right to receive payment is established.

Cash and cash equivalents

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

Trade and other receivables

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

Financial liabilities

Interest bearing loans from shareholders

Obligations for loans from shareholders are recognised when the Company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans from shareholders are subsequently measured at amortised cost using the effective interest method. Gains and losses arising on the repurchase, settlement or otherwise cancellation of financial liabilities are recognised respectively in finance revenue and finance expense.

Going concern

The Company's forecasts and projections of the return on its investment in its legal subsidiary, taking into account possible changes in circumstances, indicate that the future cash flows from the Company's investments will enable the Company to meet short term liabilities. The customer (NDA) has terminated the contract for convenience which resulted in the share transfer on 12 July 2021. The Company will however continue to exist for some time whilst tax issues are closed out and dividends received. The shareholders have commenced initial discussions about the possibility of bidding for new work together. The directors have therefore, prepared the financial statements on a going concern basis.

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

1. Accounting policies (continued)

Contract renewal costs

Costs associated with contract renewal are expensed as they are incurred.

Taxation

Income tax expense comprises the sum of current tax charge and the movement in deferred tax.

Current tax payable or recoverable is based on taxable profit for the year using tax rates and laws that have been enacted or substantively enacted by the balance sheet date, and any adjustment to tax payable in respect of previous years. Tax is recognised in the income statement except to the extent that it relates to items recognised in equity, in which case it is recognised in the statement of changes in equity.

1a. Judgements in applying accounting policies and key sources of estimation uncertainty

The key judgements used by the Company in preparing the Financial Statements relate mainly to:

- **Equity accounting** – management judgement is required to determine the level of control of the subsidiary LLW Repository Limited such that it is treated as an associate under equity accounting rather than consolidated as a subsidiary.

There were no significant estimates involved in the preparation of the financial statements around items where there is high uncertainty around the outcome.

2. Revenue

Revenue is derived from secondees services supplied to LLWR Limited in accordance with the M&O agreement. All revenue has arisen in the United Kingdom.

	2021 £'000	2020 £'000
United Kingdom	890	1,002

3. Operating loss

The operating loss is stated after charging:

	2021 £'000	2020 £'000
Audit of the Company financial statements	12	12
Other fees to auditors:		
- Other services relating to taxation	-	-
- All other services	-	-

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Notes to the financial statements for the year ended 31 March 2021

4. Staff costs and directors' emoluments

The directors received no emoluments from the Company for their services (2020: £Nil) as these services are inconsequential to their other roles.

The Company has no employees (2020-nil).

5. Finance revenue

	2021 £'000	2020 £'000
Interest receivable from associate	15	21

6. Finance expense

	2021 £'000	2020 £'000
Interest payable on loans from group companies	11	16
Interest payable on loans from related party companies	4	5
	15	21

7. Taxation – continuing operations

	2021 £'000	2020 £000
(a) Tax charge in the income statement		
Current income tax	4	1
	4	1

	2021 £'000	2020 £'000
(b) Reconciliation of the total tax charge		
Profit before taxation	3,600	3,499
Tax on profit of ordinary activities at standard UK corporation tax rate of 19% (2020- 19%)	684	665
Effects of:		
Post-tax profits of associate	(708)	(691)
Transfer pricing adjustment	28	27
	4	1

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

7. Taxation – continuing operations (continued)

(c) Factors that may affect future tax charges

It was announced in the Budget on 3 March 2021 the rate of corporation tax would be increased to 25% with effect from 1 April 2023. The Finance Bill 2021 was substantively enacted on 24 May 2021 to effect this change.

8. Investment in associate

	2021 £'000	2020 £000
Investment in associate	3,893	1,752
Share of post-tax results of associate	3,727	3,571

Investment in associate - movement	2021 £'000	2020 £'000
As at 1 April	1,752	2,184
Share of post-tax results of associate	3,727	3,571
Dividends received	(1,586)	(4,003)
As at 31 March	3,893	1,752

The Company has a 100% interest in LLW Repository Limited, a private Company which provides nuclear facility management and operations, clean-up of legacy facilities and managing the customer interface between the Company and operations in the UK that send low level nuclear waste to the site. The Company is registered in England and Wales. The investment in Low Level Waste Repository Limited was acquired on 1 April 2008 for consideration of £2 paid in cash. As explained in note 1, Low Level Waste Repository Limited is accounted for as an associate due to contractual restrictions over UK Nuclear Waste Management Limited's ability to exercise control.

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

8. Investment in associate (continued)

The following table illustrates summarised financial information of the Company's investment in LLW Repository Limited:

	2021 £'000	2020 £'000
Share of the associate's balance sheet:		
Share of gross assets	55,869	47,071
Share of gross liabilities	(51,976)	(45,319)
Share of net assets	3,893	1,752
Share of the associate's income statement for the year 1 April to 31 March:		
Revenue	4,561	4,445
Profit after tax	3,727	3,571
Share of the associate's other comprehensive income for the year 1 April to 31 March		
Actuarial gain/(loss) recognized in the Combined Nuclear Pension Plan ("CNPP")	(6,951)	3,088
Actuarial (gain)/loss on CNPP scheme funded by NDA	6,951	(3,088)
Other comprehensive income	-	-
	2021 £'000	2020 £'000
Additional information: Share of the associate's gross fees and reimbursement of Site Licence Company costs for the year 1 April to 31 March	78,105	85,669

The gross fees and reimbursement of Site License Company costs includes both fee income (revenue) earned and the reimbursement of costs by the Nuclear Decommissioning Authority under the terms of the M&O agreement. This is memorandum information and does not form part of the primary statements of the associate.

	2021 £	2020 £
Investment at cost and net book value	2	2

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

8. Investment in associate (continued)

The investment in associate as at 31 March 2021 and at 31 March 2020 was as follows:

	Country of incorporation	Percentage of Ordinary shares held by the Company
Company:		
LLW Repository Limited	England & Wales	100%
Activities:		
Operation of the Low Level Waste Repository nuclear site under site licence and operation contracts with the Nuclear Decommissioning Authority		

Shareholdings are held in the name of UK Nuclear Waste Management Limited.

As a result of the operation of the contractual arrangement between the Company, LLW Repository Limited and the Nuclear Decommissioning Authority, the directors have concluded that, although the investment in LLW Repository Limited is a legal subsidiary undertaking within the meaning of S1162 of Companies Act 2006, the circumstances are such that the Company is restricted from controlling its legal subsidiary and instead has significant influence over it. As a consequence, under S405 (3) (a) of Companies Act 2006, the Company has concluded that it should not consolidate its legal subsidiary. In accordance with IFRS 10, as the Company has no other legal subsidiary undertakings, the Company has further concluded that it should not prepare consolidated financial statements.

9. Loans to associated company or undertaking

	2021 £'000	2020 £'000
Non-current		
Loan to associated undertaking	-	1,000
Current		
Loan to associated undertaking	1,000	-

Amounts owed to shareholders comprise the following unsecured loans shown at their carrying value as at 31 March 2021, with interest being charged at a variable rate of LIBOR +1.5% margin. The revolving credit facility loan was repaid on 12 July 2021 and so is included in current assets as at the year end. No repayments were made in year (2020: £Nil). Interest accrued at 31 March 2021 was £4,000 (2020: £4,000).

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

10. Current trade and other receivables

	2021 £'000	2020 £'000
Amounts expected to be recovered within one year:		
Prepaid expenses	4	4
Amounts owed by associated undertaking	87	228
Amounts owed by group undertakings	16	45
	107	277

The amounts owed by associate are amounts receivable from LLWR Limited, none of which are overdue.

11. Cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank and short-term deposits	65	1,334

12. Current trade and other payables

	2021 £'000	2020 £'000
Trade payables and Accruals	114	22
Other taxes and social security	24	11
Amounts owed to group undertakings	3	1,090
Amounts owed to related party undertakings	1	328
Corporation tax	2	1
	144	1,452

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

13. Financial liabilities

	2021 £'000	2020 £'000
Non-current		
Amounts owed to group undertakings	-	750
Amounts owed to related party undertakings	-	250
Current		
Amounts owed to group undertakings	750	-
Amounts owed to related party undertakings	250	-
	1,000	1,000

Amounts owed to shareholders comprise the following unsecured loans shown at their carrying value as at 31 March 2021, with interest being charged at a variable rate of LIBOR +1.5% margin. The revolving credit facility loan was repaid on 12 July 2021 and so is included in current assets as at the year end. No repayments were made in year (2020: £Nil). Interest accrued at 31 March 2021 was £4,000 (2020: £3,500).

14. Financial instruments

Financial instrument risk management objectives, policies and strategies

The Company finances its activities with loans from shareholders and cash and short-term deposits. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the Company's trading activities. The Company does not trade in financial instruments. Financial instruments give rise to foreign currency, interest rate, credit, price and liquidity risk. Information on how these risks arise is set out below, as are the objectives, policies and processes agreed by the board for their management and the methods used to measure each risk.

Foreign exchange rate risk

Even though all of the shareholders are ultimately owned by companies which are not registered in the United Kingdom, the Company itself has minimal exposure to foreign currency risk as all transactions and balances are in British Pound Sterling.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by managing cash generation from its operations.

Interest rate risk

The rate of interest charged to LLW Repository Limited and the rate of interest credited to the shareholders on the revolving facility loan are both linked to LIBOR and therefore, the interest rate risk to the Company is therefore minimised, given that there will be a nil profit effect with any interest rate fluctuations.

Credit risk

As disclosed in note 9, there is a credit risk in relation to balances due from LLW Repository Limited. However, as noted in the accounting policies, the contractual arrangements between the Company, its associate and the Nuclear Decommissioning Authority "NDA" are such that this risk is mitigated. In the unlikely event that the NDA was no longer able to provide the funding for LLW Repository Limited, the

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

14. Financial instruments (continued)

NDA would be required to purchase LLW Repository Limited for a nominal sum, thus reinforcing the NDA's responsibility for the underlying liabilities and reducing the credit risk to the Company.

Liquidity risk

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

Repayable:	On demand £'000	Less than 3 months £'000	3 to 12 months £'000	1 to 5 years £'000
<i>Interest bearing loans:</i>				
2021	-	4	1,000	-
2020	-	3	-	1,000
<i>Trade and other payables:</i>				
2021	-	138	-	-
2020	-	287	1	-

Fair values of financial assets and liabilities

For financial instruments not traded in active markets for which no quoted market price is available the fair value was determined using valuation techniques. The fair value of loan notes, other financial assets and borrowings has been calculated by discounting the expected future cash flows at prevailing market interest rates for instruments with substantially the same terms and characteristics. The carrying value of short term receivables and payables are assumed to approximate their fair values where discounting is not material.

The fair values of the financial assets and liabilities are not materially different from their book values.

15. Share capital

	2021 £	2020 £
Called up and allotted and fully paid:		
100 ordinary shares of £1 each	100	100

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

16. Reserves

	Retained earnings		Total
	£'000	£'000	£'000
At 1 April 2019		2,444	2,444
Total comprehensive income for the year		3,499	3,499
Equity dividends paid			
1 st dividend (£22,000 per share)	2,200		
2 nd dividend (£1,600 per share)	160		
3 rd dividend (£5,080 per share)	508		
4 th dividend (£11,640 per share)	1,164		
		(4,032)	(4,032)
At 1 April 2020		1,911	1,911
Total comprehensive income for the year		3,596	3,596
Equity dividends paid			
1 st dividend (£15,860 per share)	1,586		
		(1,586)	(1,586)
At 31 March 2021		3,921	3,921

The Company's share of the associate's profit after tax, as recorded in the income statement, is not distributable until such time as it is received by the Company by way of dividends from LLW Repository Limited. At 31 March 2021 the amount recorded within reserves which is not considered distributable is £3,893,000 (2020: £1,753,000). The distributable retained earnings at 31 March 2021 are £28,000 (2020: £158,000).

17. Financial commitments

At 31 March 2021 and 31 March 2020, the Company has no capital commitments or lease commitments.

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

18. Related party transactions

At 31 March 2021, the Company identified the following companies as related parties:

<i>Company</i>	<i>Relationship with UK Nuclear Waste Management Limited</i>
LLW Repository Limited	Associate by virtue of the Company's 100% shareholding in LLW Repository Limited
Orano Cycle (formerly known Areva-NC)	Related party by virtue of its 10% shareholding in the Company
Orano Projects Limited (formerly known as Areva Risk Management Consulting)	Related party by virtue of shareholder in common, via Orano Cycle
Studsvik Limited	Related party by virtue of its deemed 15% shareholding in the Company
Amentum International Holdings UK Limited	Group undertaking by virtue of its 75% shareholding in the Company

Associated undertaking

Included within Note 9 as 'Loans to associated company' is a balance of £1,000,000 (2020: £1,000,000) in respect of a loan to LLWR Limited. Interest on this loan is receivable at 1.5% above LIBOR per annum, payable on a quarterly basis. Interest receivable amounted to £15,000 for the financial year (2020: £21,000). At the balance sheet date, interest of £4,000 (2020: £3,500) was due and disclosed within Note 10 as 'Amounts owed by associated undertaking.'

Also included in Note 10 as 'Amounts owed by associated undertaking' is a balance of £82,253 (2020: £228,163) receivable from LLWR Limited in respect of services provided by the Company and interest receivable. The total value of services provided in the financial year was £890,000 (2020: £1,002,000). There is a balance of £Nil owed by Amentum EC (UK) Ltd (2020: £45,354).

Related party and group undertakings

Total liabilities (per note 12 & note 13) amount to £1,004,000 (2020: £2,248,987); this comprised amounts payable to related party and group undertakings of £251,000 (2020: £81,487) and £753,000 (2020: £1,003,500), respectively.

The amounts payable to related party and group undertakings comprise amounts outstanding in respect of, trade services of £Nil (2020: £81,487), loans of £1,000,000 (2020: £1,000,000) and interest payable of £4,000 (2020: £3,500).

The revolving credit facility loan was repaid on 12 July 2021. No repayments were made in year (2020: £Nil). Interest is charged at 1.5% above LIBOR per annum, payable on a quarterly basis. Details of the amounts payable to each of the Company's related parties are provided below.

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

18. Related party transactions (continued)

Trade Services

Included in Note 10, 'Current trade and other receivables', is a credit note balance of £15,687 (2020: group payable of £81,687) relating to services provided the Company. This outstanding balance and the value of services provided in the financial year are analysed between the Company's related parties in the following table:

	<i>Studsvik Limited</i>	<i>Orano Cycle</i>	<i>Amounts owed to related party undertakings</i>	<i>Amounts owed to group undertakings</i>	<i>Total</i>
31 March 2021	£	£	£	£	£
Services Provided	202,974	-	202,974	745,070	948,044
Trade Payables	-	-	-	(15,687)	(15,687)
31 March 2020					
Services Provided	191,072	-	191,072	717,402	908,474
Trade Payables	19,317	-	19,317	62,170	81,487

Loans

Included within Note 13, 'Financial liabilities', is a balance of £1,000,000 (2020: £1,000,000) relating to loans made to the Company by its related parties. The balance of loans outstanding at the balance sheet date is split between the Company's related parties as shown in the following table:

	<i>Studsvik Limited</i>	<i>Orano Cycle</i>	<i>Amounts owed to related party undertakings</i>	<i>Amounts owed to group undertakings</i>	<i>Total</i>
31 March 2021	£	£	£	£	£
Loan Outstanding	150,000	100,000	250,000	750,000	1,000,000
31 March 2020					
Loan Outstanding	150,000	100,000	250,000	750,000	1,000,000

Interest payable

Included within Note 12, 'Current and other payables', is a balance outstanding of £4,000 (2020: £5,000) relating to interest charged on loans from the Company's related parties. Interest is charged at 1.5% above LIBOR per annum, payable on a quarterly basis. The balance outstanding at the balance sheet date and the value of interest accrued in the financial year are analysed between the Company's related parties in the following table:

The balance outstanding at the balance sheet date and the value of interest accrued in the financial year are analysed between the Company's related parties in the following table:

	<i>Studsvik Limited</i>	<i>Orano Cycle</i>	<i>Amounts owed to related party undertakings</i>	<i>Amounts owed to group undertakings</i>	<i>Total</i>
31 March 2021	£	£	£	£	£
Interest Accrued	3,000	2,000	5,000	15,000	20,000
Interest Paid	2,000	1,000	3,000	12,000	15,000
Interest Payable	1,000	-	1,000	3,000	4,000
31 March 2020					
Interest Accrued	4,000	2,000	6,000	19,000	25,000
Interest Paid	3,000	1,000	4,000	16,000	20,000
Interest Payable	1,000	-	1,000	3,000	4,000

UK Nuclear Waste Management Limited

Notes to the financial statements for the year ended 31 March 2021

19. Events after the balance sheet date

LLW Repository Limited paid dividends to the Company post year end, as follows:

22nd April 2021 for £1,914,000;
25th May 2021 for £1,953,000; and
9th July 2021 for £1,037,000.

The contract with Nuclear Decommissioning Authority (NDA) concluded 12 July 2021; as part of this, the loan balances within current assets and current liabilities were settled.

20. Ultimate parent Company and controlling party

The immediate parent undertaking is Amentum International Holdings UK Limited, a company incorporated in the United Kingdom and registered in England and Wales.

The Company's immediate parent is Amentum International Holdings UK Ltd, incorporated in England and Wales (previously known as AECOM International Holdings UK Limited).

The ultimate parent companies are American Securities, 299 Park Ave, 34th Floor New York, NY, 10171, USA and Lindsay Goldberg Funds, 630 Fifth Street, New York, NY, 10111 each ultimately own a 50% share of the Company.