Registered number: 4006213

Westinghouse Electric Company UK Limited

Annual report and financial statements

for the year ended 31 March 2018

Westinghouse Electric Company UK Limited

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Westinghouse Electric Company UK Limited

Company information

Directors	John Kipling Kirsty Armer Michael R Gornall Brian Nixon David Mills
Company secretary	Fiona A Houghton
Registered office	Springfields Salwick Preston Lancashire PR4 0XJ United Kingdom
Independent Auditors	PricewaterhouseCoopers LLP 1 Hardman Square Manchester M3 3EB
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP

Westinghouse Electric Company UK Limited

Strategic report
For the year ended 31 March 2018

The directors present the Strategic report for the financial year ended 31 March 2018.

The directors, in preparing this Strategic report, have complied with Section 414C of the Companies Act 2006.

Principal activities and fair review of the business

The company is a wholly owned subsidiary of Westinghouse Electric UK Holdings Limited (WEC Holdings) and its principal activity is to develop nuclear business opportunities in the United Kingdom, specifically related to nuclear operating plant and decommissioning services.

On 1 August 2018, Toshiba Corporation completed its sale of Westinghouse Electric Company LLC (WEC LLC), including BCP Nuclear Energy Holdings (UK) Limited (formerly Toshiba Nuclear Energy Holdings (UK) Limited), to Brookfield Business Partners LP.

The company's key financial indicators during the year were as follows:

	2018 **£ 000**	Restated 2017 £ 000	% Change increase/ (decrease)
Turnover	**24,069**	57,138	(57.9%)
Operating loss before interest and taxation	**(4,878)**	(45,460)	(89.3%)
Loss for the financial year	**(3,846)**	(42,124)	(90.9%)
Total shareholders' deficit	**(37,937)**	(34,091)	11.3%
Current assets to current liabilities ratio	**1.05:1**	1.21:1	(13.2%)

Turnover of £24,069,000 (2017: £57,138,000) is mainly as a result of income from Decontamination, Decommissioning, Remediation and Waste Management services £10,961,000 (2017: £3,634,000), Global Instrumentation and Controls £8,634,000 (2017: £13,123,000) and Global Field Services and Plant Maintenance £3,178,000 (2017: £2,761,000). Turnover from New Projects has decreased to £116,000 (2017: £35,138,000), due to the cessation of the Generic Design Assessment (GDA) work.

The operating loss before interest and taxation of £4,878,000 (2017: loss £45,460,000) is less than the prior year mainly due to a £40,310,000 impairment charge recognised against the AP1000® Generic Design Assessment intangible asset in prior year.

The decrease in total shareholders' funds is a result of the loss made in the year.

The directors have not provided any non-financial key performance indicators due to the company having no employees.

Results

The loss for the financial year amounted to £3,846,000 (2017: loss of £42,124,000). The directors do not recommend the payment of a dividend (2017: £nil).

Principal risks and uncertainties

On 29 March 2017 BCP Nuclear Energy Holdings (UK) Limited (formerly Toshiba Nuclear Energy Holdings (UK) Limited), WEC LLC (a subsidiary of BCP Nuclear Energy Holdings (US) Inc. (formerly Toshiba Nuclear Energy Holdings (US) Inc.)) and other subsidiaries of BCP Nuclear Energy Holdings (US) Inc. (formerly Toshiba Nuclear Energy Holdings (US) Inc.) filed voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code.

The companies in Chapter 11 executed a plan of restructuring to exit the Chapter 11 process on 1 August 2018 when Brookfield Business Partners LP acquired the Westinghouse group. The restructuring plan with respect to Westinghouse Electric Company UK Limited (WEC UK) consisted primarily of the transfer to WEC LLC of the fully provided for GDA intangible asset related to AP1000 UK licencing and the cancellation of the associated loan from WEC LLC, the cancellation of the company's liability in respect of the cash pool default and the restructuring of intercompany balances. The impact on shareholders' equity at the time of restructure was assessed to be an increase of £53,373,000.

The company now has funding available through the Liquidity Funding Mechanism (LFM) arranged by Westinghouse.

The company has developed a business plan intended to provide for a competitive cost structure necessary to improve its financial position, provide long-term stability for its stakeholders, and support the successful operation of the company's core businesses.

Growth is anticipated in the Decontamination, Decommissioning, Remediation and Waste Management services (DDR & WM).

Principal risks to the business are focused on ensuring the company can grow the UK skills base and capacity in line with the business growth opportunities.

Important aspects of the company's emergence business strategy include: (i) a continued focus on safe, cost disciplined operations; (ii) maximisation of the most profitable elements of its asset base and potential divesture of non-strategic assets; (iii) strategic investment; and (iv) a reduction of overall fixed costs.

Overseas branch

On 1 June 2016 WEC UK incorporated a branch in the Netherlands:

Westinghouse Electric Company UK Limited – Netherlands branch
Urmonderbaan 22
Building G122-94
6167 RD Geleen
The Netherlands

On 3 October 2018 the Netherlands branch was dissolved.

Future developments

The company continues to work towards growth by exploring strategic options. In addition the growth of Westinghouse's work at Sellafield via our Galemire Court operation and Sizewell nuclear power plant opportunities continue to be progressed.

Westinghouse Electric Company UK Limited

Strategic report (continued)
For the year ended 31 March 2018

Events after the balance sheet date

On 1 August 2018, Toshiba Corporation completed its sale of WEC LLC, including WEC UK, to Brookfield Business Partners LLP. As part of the process to exit Chapter 11 and to facilitate the sale a restructuring plan was executed the specific impact of which has been noted in the relevant sections of these accounts.

On 3 October 2018 the Netherlands branch was dissolved.

On 15 March 2019 Linda M Aylmore resigned as a director.

Approved by the Board of Directors on 15 April 2019 and signed on its behalf by:

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Michael R Gornall

Director

Directors' report
For the year ended 31 March 2018

The directors present their annual report on the affairs of the company, together with the audited financial statements and independent auditors' report, for the year ended 31 March 2018.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were as follows:

John Kipling
Kirsty Armer
Linda M Aylmore (resigned 15 March 2019)
Michael R Gornall
Gaenor Prest (resigned 27 July 2017)
Simon Marshall (resigned 25 January 2018)
Brian Nixon (appointed 25 January 2018)
David Mills (appointed 25 May 2018)
David S Peacock (resigned 25 May 2018)

The company maintains directors' and officers' liability insurance covering the defense costs of civil legal proceedings and the damages resulting from the unsuccessful defense of such proceedings except, in such cases, to the extent that a director or officer acted fraudulently or dishonestly.

Strategic report

The information that fulfils the Companies Act requirements of the business review is included in the Strategic report. This includes a review of the development of the business of the company during the year, of its position at the end of the year and of the likely future developments in its business.

Financial risk management objectives and policies

Financial instruments
The company's financial instruments comprise some cash and short-term loans from group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The main risks arising from the company's financial instruments are interest rate risk, foreign currency risk and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. The policies have remained unchanged since incorporation.

Interest rate risk
The company finances its operations through a mixture of retained profits and loans from group undertakings. Interest rates in respect of group undertakings are in accordance with Westinghouse Treasury policies.

Foreign currency risk
As at 31 March 2018, there were two outstanding foreign currency contracts (2017: two) (note 18). Company policies ensure that an overall view of the group's exchange exposure and foreign currency commitments can be done in conjunction with the Treasury Department of WEC LLC.

Liquidity risk
The company operates independent bank accounts locally and has the ability to borrow cash through the Liquidity Funding Mechanism (LFM) financing agreement arranged by WEC LLC.

Westinghouse Electric Company UK Limited

Directors' report (continued)
For the year ended 31 March 2018

Political donations

The company has made no political contributions during the year (2017: £nil).

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position and financial risk management objectives are as described in the Strategic report on pages 2 to 4.

The company is in a net liability position at 31 March 2018 and is reliant on support from its parent, WEC Holdings, in order to continue as a going concern. A letter of support has been provided. However, the restructuring plan put in place to exit Chapter 11 on 1 August 2018, also described in the Strategic report, has strengthened the company's ability to continue to operate as a going concern.

The company can now receive funding from WEC Holdings through the Liquidity Funding Mechanism (LFM).

Additional business opportunities continue to be developed and ongoing bids offered to various customers. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have strategic plans to revert the negative equity position through robust business plans. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Dividends

The directors do not recommend the payment of a dividend (2017: £nil).

Independent Auditors

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

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

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

A resolution to appoint independent auditors in accordance with section 485 of the Companies Act 2006 will be put to the members at the Annual General Meeting.

Approved by the Board of Directors on 15 April 2019 and signed on its behalf by:

M. Gil

Michael R Gornall
Director

Westinghouse Electric Company UK Limited

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements 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 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.

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.

Approved by the Board of Directors on 15 April 2019 and signed on its behalf by:

M. Gl

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Michael R Gornall

Director

Westinghouse Electric Company UK Limited

Independent auditors' report to the members of Westinghouse Electric Company UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Westinghouse Electric Company UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2018; the Profit and loss account, the Statement of changes in equity for the year then ended; and the Notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Independent auditors' report to the members of Westinghouse Electric Company UK Limited (continued)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 auditors' report.

Independent auditors' report to the members of Westinghouse Electric Company UK Limited (continued)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Jonathan Studholme

Jonathan Studholme (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
15 April 2019

Westinghouse Electric Company UK Limited

Profit and loss account
For the year ended 31 March 2018

	Note	2018 £ 000	2017 £ 000
Turnover	5	**24,069**	57,138
Net operating costs and expenses		**(28,825)**	(62,288)
Exceptional item	6	**(122)**	(40,310)
Operating loss before interest and taxation	7	**(4,878)**	(45,460)
Interest income and expense	10	**(369)**	(600)
Loss before taxation		**(5,247)**	(46,060)
Income tax credit	11	**1,401**	3,936
Loss for the financial year		**(3,846)**	(42,124)

The above results were derived from continuing operations.

There has been no other comprehensive income during either 2018 or 2017 other than as disclosed in the profit and loss account and therefore no separate statement of total comprehensive income has been presented.

Westinghouse Electric Company UK Limited

Balance sheet
As at 31 March 2018

	Note	2018 £ 000	Restated* 2017 £ 000
Fixed assets			
Tangible assets	12	1	-
Total fixed assets		1	-
Current assets			
Debtors	13	21,009	27,327
Cash at bank and in hand		16,749	3,802
Total current assets		37,758	31,129
Creditors: amounts falling due within one year	14	(35,891)	(25,781)
Net current assets		1,867	5,348
Creditors: amounts falling due after more than one year	15	(39,770)	(39,398)
Deferred tax liability	16	(35)	(41)
Creditors: amounts falling due after more than one year		(39,805)	(39,439)
Net liabilities		(37,937)	(34,091)
Capital and reserves			
Called-up share capital	17	1,000	1,000
Profit and loss account		(38,937)	(35,091)
Total shareholders' deficit		(37,937)	(34,091)

*See note 22 for further details of the prior year adjustment.

The notes on pages 14 to 28 are an integral part of these financial statements

The financial statements of WEC UK (registration number: 4006213) on pages 11 to 28 were approved by the Board of directors and authorised for issue on 15 April 2019.

They were signed on its behalf by:

M. C. G.

Michael R Gornall

Director

Westinghouse Electric Company UK Limited

Statement of changes in equity
For the year ended 31 March 2018

	Called up share capital £ 000	Profit and loss account £ 000	Total shareholders' funds/(deficit) £ 000
At 1 April 2016	1,000	7,033	8.033
Loss for the financial year	-	(42,124)	(42,124)
Total comprehensive expense for the year	-	(42,124)	(42,124)
At 31 March 2017 restated	1,000	(35,091)	(34,091)
Loss for the financial year	-	(3,846)	(3,846)
Total comprehensive expense for the year	-	(3,846)	(3,846)
At 31 March 2018	1,000	(38,937)	(37,937)

Notes to the financial statements
For the year ended 31 March 2018

1. General information

The company is a private company limited by share capital and is incorporated in England and Wales and domiciled in the United Kingdom.

The address of its registered office is:

Springfields
Salwick
Preston
Lancashire
PR4 0XJ

These financial statements are presented in Pounds sterling because that is the currency of the primary economic environment in which the company operates. The financial statements are prepared under the historical cost convention, except, where stated in the accounting policies, in accordance with applicable Financial Reporting Standards 101 Reduced Disclosure.

The financial statements are prepared in accordance with the requirements of the Companies Act 2006 and the Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and applicable accounting standards.

2. Accounting policies

Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of accounting

The financial statements have been prepared in accordance with FRS 101 (Financial Reporting Standard 101) Reduced Disclosure Framework as issued by the Financial Reporting Council.

Summary of disclosure exemptions

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to:

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j)-(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations; group accounts have not been presented;
- the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006;
- the requirements of IFRS 7 Financial Instruments: Disclosures, the categories of financial instrument and nature and extent of risks arising on these financial instruments have not been detailed;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement, the valuation techniques applied to assets and liabilities held at fair value have not been disclosed;
- the requirements of paragraph 10(f) of IAS 1 Presentation of Financial Statements, a third statement of financial position has not been given to reflect the change in accounting policy;
- the requirements of IAS 7 Statement of Cash flows, a statement of cash flows has not been presented;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors including the list of new IFRSs that have been issued but that have yet to be applied have not been disclosed;

Notes to the financial statements (continued)
For the year ended 31 March 2018

2. Accounting policies (continued)

Summary of disclosure exemptions (continued)

- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Transactions, related party transactions between members of the group have not been disclosed; and
- the requirements of paragraphs 134 (d)-(f) and 135(c)-(e) of IAS 36 Impairment of Assets, the valuation techniques and assumptions used for assets held at fair value less cost to sell categorised as Level 2 and Level 3 in accordance with IFRS 13 fair value hierarchy have not been disclosed.

Going concern

The company is in a net liability position and is reliant on support from its parent, WEC Holdings, in order to continue as a going concern (a letter of support has been provided). Therefore the directors have considered the following key factors in concluding on the use of the going concern basis when preparing these financial statements:

- During the 12 months from the date of signing the financial statements the company is forecast to generate net cash outflows of £3m. This will be managed by using the Liquidity Funding Mechanism (LFM).
- Whilst in a net liabilities position, the company had cash at bank and in hand of £16.7 million and net current asset of £1.2 million at the balance sheet date.

The directors will continue to review the above key factors on an ongoing basis. The directors consider the company to be a going concern; as such these financial statements have been prepared on the going concern basis of preparation.

The company's business activities, together with the factors likely to affect its future development, its financial position and financial risk management objectives are as described in the Strategic report on pages 2 to 4.

The company can now receive funding from WEC Holdings through the Liquidity Funding Mechanism (LFM).

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

Current and deferred tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the UK.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Notes to the financial statements (continued)
For the year ended 31 March 2018

2. Accounting policies (continued)

Current and deferred tax (continued)

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right of offset current tax assets against current tax liabilities and the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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

Turnover

Revenue-earning activities involve the rendering of decommissioning and operating plant services. Revenues are considered to have been earned when the entity has substantially accomplished what it must do to be entitled to the benefits represented by the revenues.

Revenue is only recognised when the entity has met all of the following criteria:

- persuasive evidence of an arrangement exists;
- delivery has occurred or services have been rendered;
- the seller's price to the buyer is fixed or determinable; and
- collectability is reasonably assured.

Charges are incurred on behalf of other companies as an administrative matter. These are not considered to be trading income and as such are treated as other income rather than turnover.

Joint arrangements

The company applies IFRS 11 to all joint arrangements. Under IFRS 11 a joint arrangement is an arrangement over which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. The company classifies its interests in joint arrangements as either joint ventures or joint operations. The company accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses. For WEC UK to show its share of assets and liabilities in joint operations a prior year adjustment has been made, see note 22.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. Exchange differences are taken to the profit and loss account.

2. Accounting policies (continued)

Exceptional items

The company presents as exceptional items those material items of income and expense which, because of the nature and expected infrequency of the events giving rise to them, merit separate presentation to allow shareholders to understand better the elements of financial performance in the year, so as to facilitate comparison with prior periods and to assess better trends in financial performance.

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and debtors'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Derivative financial instruments and hedging

The company uses derivative financial instruments such as forward currency contracts and interest rate swaps to hedge its risks associated with foreign currency and interest rate fluctuations. Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

The fair value of forward currency contracts is based on the market values. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

Loans and debtors

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

Notes to the financial statements (continued)
For the year ended 31 March 2018

2. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

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

Repurchase of the company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the company's own equity instruments.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

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

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements in applying the company's accounting policies

The company has critical judgements to disclose, that the directors have made in the process of applying the company's accounting policies and that has the most significant effect on the accounts recognised in the financial statements.

Revenue recognition

The group uses the percentage-of-completion method in accounting for its contracts to deliver design services. Use of the percentage-of-completion method requires the group to estimate the services performed to date as a proportion of the total services to be performed. In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods and services set out in IAS 18 Revenue and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods.

Classification of joint arrangements

The company is part of The Decommissioning Alliance (TDA), a partnership that was formed by three parties to provide decommissioning services at the Sellafield nuclear site in Cumbria, and the consortium Cumbria Nuclear Solutions Limited (CNSL), a company that provides decommissioning and remediation services to the nuclear industry. Based on an analysis of the contractual arrangements and other facts and circumstances it is concluded that there are direct rights to assets and obligations for liabilities to the respective parties of the arrangements. Accordingly, both TDA and CNSL are accounted for as joint operations. For WEC UK to show its share of assets and liabilities a prior year adjustment has been made, see note 22.

Notes to the financial statements (continued)
For the year ended 31 March 2018

3 Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(i) Fair value of financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The company uses its judgment based on market conditions existing at the end of each reporting year.

(ii) Recoverability of internally-generated intangible asset

In the year ended 31 March 2018, the Directors reconsidered the recoverability of its internally-generated intangible asset which is included in its balance sheet at nil. WEC LLC will be reimbursed for Generic Design Assessment (GDA) and licensing costs up to a total of £24,000,000. It is not considered likely that the amount will be recovered from WEC LLC, therefore the intangible asset has been fully impaired.

4. Joint operations

The company has a material joint operation, TDA, with Energy Solutions EU Limited and Jacobs Limited, to provide decommissioning delivery services to Sellafield Limited at the Sellafield nuclear site. TDA has a board, with representatives from each party, that allocate the service tasks that it receives from Sellafield Limited, to the relevant party and once allocated, each party is responsible for the costs incurred on the task and is entitled to the revenue related to the task. Any central costs are deducted from a central profit before being split between the three partners equally.

The company is also part of a joint operation set up by six partners and incorporated as a separate company, CNSL. This joint operation provides a complete range of decommissioning and remediation services to the nuclear industry. CNSL has a board of directors with one representation from each of the six investors and the board decides the allocation of the orders to each other. Once allocated, each party is responsible for the costs incurred on the order and entitled to the revenue related to the order.

For both joint operations, in the event of a material breach or default, the defaulting party shall indemnify the other parties from any and all direct liability or loss arising from or in any manner related to such material breach or default including, but not limited to, lost fee, damages arising under the contract, fines or penalties of whatever nature and excess costs and expenses (including proper and reasonable legal fees) associated with completing the defaulting party's share of work and/or resulting from the relevant breach or default.

5. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties during the year. The total turnover has decreased due to cessation of the GDA work, New Projects £116,000 (2017: £35,138,000). Turnover from Decontamination, Decommissioning, Remediation and Waste Management has increased, £10,961,000 (2017: £3,634,000).

An analysis of turnover by geographical market is given below:

	2018	2017
	£ 000	£ 000
United Kingdom	**24,069**	57,138

Notes to the financial statements (continued)
For the year ended 31 March 2018

5. Turnover (continued)

An analysis of the company's turnover by class of business is set out below.

	2018 £ 000	2017 £ 000
New Projects	116	35,138
Component Manufacturing	322	330
Global Instrumentation and Controls	8,634	13,123
Decontamination, Decommissioning, Remediation and Waste Management	10,961	3,634
Global Field Services and Plant Maintenance	3,178	2,761
Global Engineering	835	1,203
Nuclear Fuel	96	-
Corporate Centre	(73)	949
	24,069	57,138

6. Exceptional item

	2018 £ 000	2017 £ 000
Amounts unrecoverable in respect of the GDA	-	40,310
Provision for WEC LLC invoices	122	-
	122	40,310

The company on considering the recoverability of accounts receivable have made a bad debt provision for three sales invoices that were due from WEC LLC.

7. Operating loss before interest and taxation

Operating loss before interest and taxation has been arrived at after (crediting)/charging:

	2018 £ 000	2017 £ 000
Employee costs (note 8)	4,446	5,244
Auditors' remuneration - audit of the company's financial statements	30	24
Other external and operating charges	25,319	55,715
Realised foreign exchange (gains)/losses on settled transactions	(970)	1,305
Exceptional item (note 6)	122	40,310

Notes to the financial statements (continued)
For the year ended 31 March 2018

8. Employee costs

WEC UK has no employees.

WEC Holdings and Springfields Fuels Limited seconded 43 (2017: 49) to WEC UK.

Their aggregate remuneration comprised:

	2018 £ 000	2017 £ 000
Wages and salaries	3,995	3,832
Social security costs	435	447
Other pension costs	16	676
Compensation for loss of office	-	289
	4,446	5,244

The average monthly number of secondees (including executive directors) was:

	2018 No.	2017 No.
NuGen	2	11
Decontamination, Decommissioning, Remediation and Waste Management	9	8
Support Functions	32	30
	43	49

9. Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £ 000	2017 £ 000
Aggregate emoluments in respect of qualifying services	544	580
Compensation for loss of office	-	289
Company contributions to defined contribution pension schemes	14	138
	558	1,007

The cost of directors' services is borne by WEC UK except for Simon J Marshall, David S Peacock and Gaenor Prest who are all remunerated by Springfields Fuels Limited, and Linda Aylmore who is remunerated by the EMEA region.

Notes to the financial statements (continued)
For the year ended 31 March 2018

9. Directors' remuneration (continued)

During the year the number of directors who were receiving benefits was as follows:

	2018 No.	2017 No.
Number of directors accruing benefits under defined benefit schemes	3	4
Number of directors accruing benefits under defined contribution schemes	1	2

In respect of the highest paid director:

	2018 £ 000	2017 £ 000
Aggregate emoluments	195	254
Accrued pension fund at the end of year	61	60

10. Interest income and expense

Interest receivable and similar income:

	2018 £ 000	2017 £ 000
Bank interest	-	2
Unrealised foreign exchange gains on unsettled balances	22	-
	22	2

Interest payable and similar expense:

	2018 £ 000	2017 £ 000
Bank interest	(7)	(34)
Other charges	(12)	(2)
Unrealised foreign exchange losses on unsettled balances	-	(566)
Interest payable to group undertakings	(372)	-
	(391)	(602)

Net interest income and expense:

	2018 £ 000	2017 £ 000
Interest receivable and similar income	22	2
Interest payable and similar expense	(391)	(602)
	(369)	(600)

Notes to the financial statements (continued)
For the year ended 31 March 2018

11. Income tax credit

Tax credited for the year in the profit and loss account:

	2018	2017
	£ 000	£ 000
Current taxation		
UK corporation tax on result for the year	-	(4,406)
Adjustment in respect of prior periods	(1,395)	-
UK corporation tax	(1,395)	(4,406)
Deferred tax		
Origination and reversal of timing differences	(1,195)	444
Adjustment in respect of prior periods	1,189	26
Total deferred tax	(6)	470
Tax credited for the year	(1,401)	(3,936)

There is no tax included in other comprehensive income.

The tax on loss before taxation for the financial year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018	2017
	£ 000	£ 000
Loss before taxation	(5,247)	(46,060)
Corporation tax at standard rate of 19% (2017: 20%)	(997)	(9,212)
Expenses not deductible for tax purposes	3	-
Remeasurement of deferred tax	104	720
Deferred tax not recognised	(305)	4,530
Adjustments to tax charge in respect of prior years	(206)	26
Tax credited for the year	(1,401)	(3,936)

Factors that may affect future tax charges

A reduction to the corporation tax rate from 19% to 17% (effective 1 April 2020) was enacted by the Finance Act 2016 on 15 September 2016.

12. Tangible assets

	£ 000
Cost or valuation	
At 1 April 2017	-
Additions	1
At 31 March 2018	1
Accumulated depreciation	
At 1 April 2017	-
Depreciation charge	-
At 31 March 2018	-
Carrying amount	
At 31 March 2018	1
At 31 March 2017	-

13. Debtors

	2018 £ 000	Restated 2017 £ 000
Trade debtors	4,477	10,577
Amounts owed by group undertakings	6,089	5,342
Other debtors and prepayments	10,443	11,408
	21,009	27,327

The company's exposure to credit and market risks, including impairments and allowances for credit losses, relating to trade and other debtors is disclosed in the financial risk management and impairment note in the Directors' report.

The amounts owed by group undertakings are payable on demand and no interest is chargeable. Intercompany receivables which were fully provided for in respect of trading activities before 29 March 2017, £127,000, were subsequently cancelled as part of the restructuring plan to exit Chapter 11 on 1 August 2018.

14. Creditors: amounts falling due within one year

	2018 £ 000	Restated 2017 £ 000
Trade creditors	439	3,083
Amounts owed to group undertakings	31,066	14,557
Other taxes	586	1,544
Accruals and other creditors	3,797	6,594
Derivative financial instruments (note 18)	3	3
	35,891	25,781

14. Creditors: amounts falling due within one year (continued)

Within amounts owed to group companies is an amount due to WEC LLC of $11,295,000 (£8,201,000) for the company's overdrawn share of the global notional cash pool balance which defaulted on 29 March 2017. There is also a trading balance due to WEC LLC for £20,765,000, no interest is charged on this.

Of the amounts due to WEC LLC, £12,970,000 was subsequently cancelled as part of the restructuring plan to exit Chapter 11 on 1 August 2018.

Within accruals and other creditors is a contract loss provision for £197,430.

15. Creditors: amounts falling due after more than one year

	2018 **£ 000**	2017 £ 000
Amounts owed to group undertakings	39,770	39,398
	39,770	39,398

Amounts owed to group undertakings comprise a loan from WEC LLC which is repayable on 31 March 2026. The monthly interest rate applied is USD LIBOR plus 45 basis points, with the interest only repayable on the loan maturity date.

This loan, £39,770,000, was subsequently cancelled as part of the restructuring plan to exit Chapter 11 on 1 August 2018.

16. Deferred tax liability

The deferred tax liability consists of the following tax liabilities:

	2018 **£ 000**	2017 £ 000
Deferred tax liabilities due within 12 months	(6)	(6)
Total provision	(6)	(6)
Deferred tax liabilities due after 12 months	(29)	(35)
Total liability	(29)	(35)
Total deferred tax liability	(35)	(41)

Notes to the financial statements (continued)
For the year ended 31 March 2018

16. Deferred tax liability (continued)

Deferred tax liabilities	Derivative financial instruments £ 000	Total £ 000
At 1 April 2016	(46)	(46)
Credited to the profit and loss	5	5
At 31 March 2017	(41)	(41)
Credited to the profit and loss	6	6
At 31 March 2018	(35)	(35)

Deferred tax assets

	Tax losses £ 000	Accelerated capital allowances £ 000	Total £ 000
At 1 April 2016	468	8	476
Charged to the profit and loss	(468)	(8)	(476)
At 31 March 2017	-	-	-
At 31 March 2018	-	-	-

There are £4,183,000 of tax losses which are not recognised as at 31 March 2018 (2017: £4,530,000).

17. Called up share capital

Authorised shares	2018 No.	2018 £ 000	2017 No.	2017 £ 000
Ordinary shares of £1 each	2,000,000	2,000	2,000,000	2,000

Allotted, called up and fully paid shares	2018 No.	2018 £ 000	2017 No.	2017 £ 000
Ordinary shares of £1 each	1,000,001	1,000	1,000,001	1,000

The company has one class of ordinary shares which carries no right to fixed income.

The directors do not recommend the payment of a dividend (2017: £nil).

Notes to the financial statements (continued)
For the year ended 31 March 2018

18. Derivative financial instruments

At 31 March 2018 there were two (2017: two) derivative financial assets that related to forward currency hedging contracts, that had a fair value of £3,000 (2017: £3,000).

19. Contingent liabilities

The company has no other contingent liabilities and has issued no guarantees under Companies Act 2006 Section 394 or 479.

20. Controlling party

At 1 April 2017, the ultimate parent company and controlling party was Toshiba Corporation. The company was a wholly owned subsidiary of BCP Nuclear Energy Holdings (UK) Limited (formerly Toshiba Nuclear Energy Holdings (UK) Limited) which was owned in the following proportions

87% Toshiba Corporation
10% National Atomic Company Kazatomprom JSC
3% IHI Corporation

On 17 May 2017, IHI Corporation sold its 3% stake to Toshiba Corporation.

On 1 January 2018, National Atomic Company Kazatomprom JSC exercised its put option and sold its shares to Toshiba Corporation.

At 31 March 2018, the company was a 100% owned subsidiary by Toshiba Corporation.

On 1 August 2018, Toshiba Corporation completed its sale of WEC LLC, including WEC UK, to Brookfield Business Partners LP.

The smallest and largest group in which the results of the company are consolidated is that headed by Toshiba Corporation, a company incorporated in Japan. No other group financial statements include the results of the company. The company is exempt under section 401 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its immediate parent, Toshiba Corporation.

The consolidated financial statements of the group are available to the public and may be obtained from the Head Office of the Toshiba Corporation in Japan. The head office address is Toshiba, 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan.

21. Non adjusting events after the financial year

On 1 August 2018, Toshiba Corporation completed its sale of WEC LLC, including WEC UK, to Brookfield Business Partners LLP. As part of the process to exit Chapter 11 and to facilitate the sale a restructuring plan was executed the specific impact of which has been noted in the relevant sections of these accounts.

On 3 October 2018 the Netherlands branch was dissolved.

On 15 March 2019 Linda M Aylmore resigned as a director.

22. Prior year adjustment

The company is part of TDA, a partnership that was formed by three parties to provide decommissioning services at the Sellafield nuclear site in Cumbria. The TDA agreement was initially accounted for as a revenue contract under IAS 18 and the corresponding assets and liabilities arising from the contract such as debtors, cash and creditors on WEC UK's balance sheet represented the balances between WEC UK and TDA rather than representing WEC UK's share of TDA's assets and liabilities. In the current year the directors have reassessed this and concluded that this agreement should be accounted for as a joint operation in accordance with IFRS 11 which has led to a prior year adjustment being required. The 2017 financial statements have been restated; the assets and liabilities with TDA have been cancelled and replaced with WEC UK's share of TDA's assets and liabilities in line with IFRS 11. This has meant for example that the debtor balance that was recognised with TDA has been replaced with WEC UK's share of the Sellafield debtor (the ultimate customer) within TDA. As the agreement was entered into in 2017, there is no impact on the period earlier than 31 March 2017.

The company is also part of the consortium CNSL, a company that provides decommissioning and remediation services to the nuclear industry. CNSL was initially accounted for as a joint venture and based on the assessment performed in the current year this has been concluded to be a joint operation. There has been no restatement of assets or liabilities in CNSL as these are immaterial.

As a result of the prior year restatement there is no impact on profit and loss for the year ended 31 March 2017 and minimal impact on net liabilities. The impact on the balance sheet for each individual balance is shown below:

Balance sheet as at 31 March 2017

	As originally reported £ 000	Remeasurement £ 000	As restated £ 000
Fixed assets			
Investments	1	(1)	-
Total fixed assets	1	(1)	-
Current assets			
Debtors	27,956	(629)	27,327
Cash at bank and in hand	3,583	219	3,802
Total current assets	31,539	(410)	31,129
Creditors: amounts falling due within one year	(26,191)	410	(25,781)
Net current assets	5,348	-	5,348
Creditors: amounts falling due after more than one year	(39,398)	-	(39,398)
Deferred tax liability	(41)	-	(41)
Creditors: amounts falling due after more than one year	(39,439)	-	(39,439)
Net liabilities	(34,090)	(1)	(34,091)
Capital and reserves			
Called-up share capital	1,000	-	1,000
Profit and loss account	(35,090)	(1)	(35,091)
Total shareholders' deficit	(34,090)	(1)	(34,091)