

AECL Nuclear Fuel Waste Trust Fund
Financial Statements
December 31, 2024

AECL Nuclear Fuel Waste Trust Fund

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For the year ended December 31, 2024

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Independent Auditor's Report

To the Trustee of AECL Nuclear Fuel Waste Trust Fund:

Opinion

We have audited the financial statements of AECL Nuclear Fuel Waste Trust Fund (the "Trust Fund"), which comprise the statement of financial position as at December 31, 2024, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust Fund as at December 31, 2024, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 Trust Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines 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, management is responsible for assessing the Trust Fund'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 management either intends to liquidate the Trust Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust Fund's financial reporting process.

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 Canadian generally accepted auditing standards 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Markham, Ontario

March 28, 2025

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

AECL Nuclear Fuel Waste Trust Fund

Statement of Financial Position

As at December 31, 2024

	2024	2023
Assets		
Current		
Cash	83,442	21,648
Interest receivable	-	308,405
	83,442	330,053
Marketable securities (note 3)	82,156,008	75,904,770
	82,239,450	76,234,823
Liabilities		
Current		
Accounts payable and accrued liabilities	332,209	-
Net Assets	81,907,241	76,234,823

Approved by

CIBC Trust Corporation

CIBC Trust Corporation, Trustee

The accompanying notes are an integral part of these financial statements

AECL Nuclear Fuel Waste Trust Fund
Statement of Operations and Changes in Net Assets
For the year ended December 31, 2024

	2024	2023
Revenue		
Interest income	1,498,787	2,968,168
Dividend Income	2,486,974	-
Unrealized gain on marketable securities	1,116,395	3,808,422
Gain (loss) on disposal of marketable securities	655,852	(3,171,165)
	5,758,008	3,604,975
Expense		
Professional Services Fees <i>(note 4)</i>	489,461	188,672
Net income	5,268,547	3,416,303
Net assets, beginning of year	76,234,823	72,168,200
Contribution <i>(note 5)</i>	403,871	650,320
Net assets, end of year	81,907,241	76,234,823

The accompanying notes are an integral part of these financial statements

AECL Nuclear Fuel Waste Trust Fund Statement of Cash Flows

For the year ended December 31, 2024

	2024	2023
Cash provided by (used for) the following activities		
Operating		
Net income	5,268,547	3,416,303
Unrealized gain on marketable securities	(1,116,395)	(3,808,422)
Realized (gain) loss on disposal of marketable securities	(655,852)	3,171,615
Accounts payable and accrued liabilities	332,208	-
	3,828,509	2,779,496
Change in working capital account		
Interest receivable	308,405	32,981
	4,136,913	2,812,477
Financing		
Contribution (Note 4)	403,871	650,320
Investing		
Purchase of marketable securities	(103,736,391)	(55,019,653)
Disposal of marketable securities	99,257,401	51,548,945
	(4,478,990)	(3,470,708)
Increase (decrease) in cash	61,794	(7,911)
Cash, beginning of year	21,648	29,559
Cash, end of year	83,442	21,648

The accompanying notes are an integral part of these financial statements

AECL Nuclear Fuel Waste Trust Fund

Notes to the Financial Statements

For the year ended December 31, 2024

1. Description of Trust

The Nuclear Fuel Waste Act, an Act respecting the long-term management of nuclear fuel waste, came into force on November 15, 2002. Pursuant to the Act, the Trust Fund was settled by Atomic Energy of Canada Limited, and the assets of the Trust Fund are held by CIBC Trust Corporation. Contributions to the Trust Fund were made in accordance with the provisions of the Act.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Use of estimates in the preparation of financial statements

The preparation of the financial statements of AECL Nuclear Fuel Waste Trust Fund requires the trustee to make estimates and assumptions, mainly concerning the valuation of items, which affect reported amount of assets, liabilities, net income and related disclosures. Actual results could differ from these estimates.

Short-term investments

Short-term investments include short-term investments with original maturities of three months or less. Short-term investments are classified as held-for-trading and are carried at the market value, which is the quoted market price. As at December 31, 2024 there were no short-term investments held by the Trust.

Marketable securities

Marketable securities are classified as held-for-trading investments and are carried at the market value, which is the quoted market price.

Revenue recognition

The Trust Fund follows the deferral method of accounting for contributions. Trust fund contributions are recognized as direct increases in net assets.

Interest earned on cash and marketable securities is taken into income as it accrues, at the effective interest rates.

Income taxes

The Trust Fund is required to file an income tax return on an annual basis, however as it is exempt from taxes an income tax provision has not been recorded in these financial statements.

AECL Nuclear Fuel Waste Trust Fund
Notes to the Financial Statements
For the year ended December 31, 2024

3. Marketable securities

The amortized cost, term to maturity and market value of the marketable securities are as follows:

	2024				
	Within 1 year	1 to 5 years	Over 5 years	Total cost	Total market value
Securities issued					
by Canada	-	-	-	-	-
by provinces & municipality	-	-	-	-	-
Marketable securities (<i>See below</i>)	80,143,131	-	-	80,143,131	82,156,008
	80,143,131	-	-	80,143,131	82,156,008
	2023				
	Within 1 year	1 to 5 years	Over 5 years	Total cost	Total market value
Securities issued					
by Canada	12,286,013	25,459,276	-	37,745,289	37,716,517
by provinces & municipality	-	5,253,348	13,508,924	18,762,272	19,470,164
Other debt securities	-	18,500,726	-	18,500,726	18,718,089
	12,286,013	49,213,350	13,508,924	75,008,287	75,904,770

The market value of the marketable securities is as follows:

Marketable securities	2024	2023
Ishares Premium Money Market ETF	3,873,496	-
ABG Fund - Alphafixe Green Bond Fund	28,535,216	-
Manulife CDN Core Equity Pooled Fund	12,999,594	-
Mirova Global Sustainable Equity Fund	14,588,895	-
Wellington Global Dividend Growth Fund	22,158,807	-
Other debt securities	-	75,904,770
	82,156,008	75,904,770

The estimated market value of the fund units is determined by the pooled fund manager valuing at closing prices as reported by the principal securities exchange on which the securities are traded.

AECL Nuclear Fuel Waste Trust Fund
Notes to the Financial Statements
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4. Professional Services Fees

In accordance with an agreement dated May 1, 2024, between Atomic Energy of Canada Limited (Settlor) and the Trust, an amount of \$296,882 was charged to the Trust for the reimbursement of investment advisory services engaged during the year.

5. Contributions

Contributions made by Atomic Energy of Canada Limited are as follows:

	\$
Initial contribution - November 25, 2002	10,000,000
Annual contribution:	
November 14, 2003	2,000,000
November 15, 2004	2,000,000
November 15, 2005	2,000,000
November 14, 2006	2,000,000
November 14, 2007	2,000,000
November 14, 2008	2,000,000
May 13, 2009	1,746,645
April 6, 2010	1,818,812
March 31, 2011	1,898,115
April 2, 2012	1,356,134
March 26, 2013	1,414,173
March 24, 2014	1,474,983
March 30, 2015	1,089,934
March 31, 2016	1,137,441
April 3, 2017	93,915
March 29, 2018	175,149
March 28, 2019	896,614
March 27, 2020	695,893
March 28, 2021	342,455
January 18, 2022	17,743,437
March 30, 2022	872,255
March 21, 2023	217,445
March 31, 2023	432,875
March 27, 2024	403,871
	55,810,146

AECL Nuclear Fuel Waste Trust Fund
Notes to the Financial Statements
For the year ended December 31, 2024

6. Financial instruments

The Trust Fund, as part of its operations, carries a number of financial instruments. It is management's opinion that the Trust Fund is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Fair value

The Trust Fund's financial instruments comprise of cash and marketable securities. These financial instruments are reported at their fair value. The fair value of cash and interest receivable are the same as the carrying values due to the short-term nature. The book and fair values of marketable securities are disclosed in *Note 3*.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk. The Trust Fund is exposed to interest rate risk primarily relating to the following financial assets and liabilities. The table summarizes the carrying amounts of financial instruments exposed to interest rate risk by the earlier of the contractual maturity dates.

Financial instruments exposed to interest rate risk:

	Cash	Fixed Income	Equities	Total
Assets				
Cash and Marketable securities	83,442	3,873,496	78,282,512	82,239,450
Rate	-	3.31% - 5.21%	-	-

Currency risk

The Trust Fund maintains a diversified portfolio of global investments. To mitigate currency risk, the majority of these investments are denominated in Canadian dollars. This strategic approach ensures stability and reduces exposure to fluctuations in foreign exchange rates.