Cyclife UK Limited

Annual report and financial statements

Registered number 04772229

31 December 2017

Contents

Company information

Directors

The directors who held office during the year were as follows:
J Robinson
K Dodd
M Fridolfsson
B Martelet
J Culerier
M Fridolfsson (resigned 12 February 2018)
H Loupes (appointed 21 March 2018)
G Benoit (appointed 21 March 2018)
S Parsons (appointed 16 April 2018)

Company secretary

K Dodd

Registered office

1 Joseph Noble Road
Lillyhall
Workington
Cumbria
CA14 4JX

Bankers

Svenska Handelsbanken AB
Earl Grey House
75/85 Grey Street
Newcastle upon Tyne
NE1 6EF

Solicitors

Muckle LLP
Time Central
32 Gallowgate
Newcastle upon Tyne
NE1 4BF

Independent auditors

KPMG LLP
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

Strategic Report

The directors present their strategic report on the company for the year ended 31 December 2017.

Principal activities

The principal activities of the company during the year were the provision of waste management services to the nuclear industry.

Business review

During 2017 the company grew its operations to meet market demands, increasing its workforce and expanding into new operational areas. This included establishing consultancy and site projects teams enabling the company to offer an integrated approach to the delivery of its services increasing options for our customers and enabling a wider range of activities to be undertaken. This approach has resulted in the company securing several major contracts which had a positive effect on performance in the second half of the year and will continue to enable the company to deliver further improved results in future years. The outlook for 2018 and beyond includes a substantial secured order book which should deliver improved results in future years.

During 2016 the company reassessed the site decommissioning cost provision of £3,000,000 it made in 2010 and considered it to be a realistic assessment of the current cost of remediation, and hence no adjustment was made to this figure in 2017.

Results and dividends

The company's loss for the financial year was £1,015,610 *(2016: £961,095)*. The net assets of the company as at 31 December 2017 were £5,893,312 *(2016: £6,908,922)*.

Key Performance Indicators

EDF manages its operations on a Group basis. For this reason the company's directors believe that key performance indicators (KPI's) for the company are not appropriate or necessary for the understanding of the development, performance or position of the business. The performance of the Group, which includes Cyclife UK Limited, is discussed in the Group's annual report which does not form part of this report.

Principal risks and uncertainties

Cyclife UK Limited operates exclusively in the nuclear sector and as such faces and manages a number of key business risks. These are further discussed below. The directors' place managing these risks is at the forefront of their responsibilities based on a long established company safety culture and on a tradition of clear routines for quality assurance and regulatory conformance.

Regulatory obligations

As far as the management and Board of Directors can judge, Cyclife UK Limited fulfils the requirements imposed upon it by such obligations. The company is subject to regular statutory inspections and review and fully and willingly participates in such activities to ensure best practice is maintained at all times. During 2016 a potential breach of the company's regulatory obligations was identified and the company is working under an agreed programme of improvement with its regulator to ensure that this situation can be satisfactorily resolved. A provision is held in these accounts for £314,000 for costs relating to this agreed programme.

Market

Demand for the company's services in the long term is principally dependent upon the nuclear industry and the factors influencing that industry, in particular the progress of nuclear decommissioning. This is underpinned by Government-funded programmes managed by organisations such as the Nuclear Decommissioning Authority and the Ministry of Defence, as well as an increasing demand from private sector organisations in coming years.

Strategic Report *(continued)*

Operation of company facilities

Cyclife UK Limited owns and operates a metal treatment facility (the MRF) which processes low level waste. Unplanned operational disruption to this facility may have an adverse effect on income and give rise to additional costs. The company operates a range of quality monitoring systems, as well as staff competence development processes, intended to minimise the risk of unplanned disruptions.

Dependence on employees

The company has a highly skilled and specialised workforce and as such provides a range of benefits and training designed to encourage and retain staff. Retention of staff is a key issue and objective for the company in a competitive and limited general resource pool

Insurance

The company has relevant and required insurance policies in place covering public liability, nuclear liability, property and product liability. The possibility exists that internationally regulated insurance amounts will be increased and that as a result the cost of insurance will rise.

By order of the board

Joseph Robinson
Director

26 September 2018

Directors' report

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2017.

Research and development

Since acquisition by the EDF Group, the company will operate as part of the Cyclife business platform comprising a network of three waste treatment facilities in France (Socodei), Sweden (Cyclife Sweden) and the MRF. This is further supported by EDF Group's wider capabilities in Decommissioning and Waste Management.

The business will continue to focus on efficient operations and gaining market share in its waste treatment business, but also to support customers in a wider range of decommissioning and waste management activities.

Dividend

No dividend has been paid or proposed *(2016: £nil)*.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs.

The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Price risk

The company is exposed to commodity price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed annually by the board of directors.

Liquidity risk

The EDF Group actively maintains a mixture of long-term and short-term debt finance on behalf of the company that is designed to ensure the company has sufficient available funds for operations and planned expansions.

Interest rate cash flow risk

The company has both interest bearing assets and interest bearing liabilities. Interest bearing assets include only cash balances, all of which earn interest at a floating rate. The company has a policy of maintaining debt at a floating rate. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows:
J Robinson
K Dodd
M Fridolfsson
B Martelet
J Culerier
M Fridolfsson (resigned 12 February 2018)
H Loupes (appointed 21 March 2018)
G Benoit (appointed 21 March 2018)
S Parsons (appointed 16 April 2018)

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

Joseph Robinson
Director
26 September 2018.

1 Joseph Noble Road
Lillyhall
Workington
Cumbria, CA14 4JX

Statement of directors' responsibilities in respect of the Annual Report and the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard Applicable in the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policics and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been follow, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent auditor's report to the members of Cyclife UK Limited

Opinion

We have audited the financial statements of Cyclife UK Limited ("the company") for the year ended 31 December 2017 which comprise the profit and loss account and other comprehensive income, balance sheet, statement of changes in equity, and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and Directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report or the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Cyclife UK Limited *(continued)*

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

Liam Finnigan

Liam Finnigan (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE

28th September 2018

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2017

	Notes	2017	2016
		£	£
Turnover	2	3,610,506	4,809,212
Cost of sales		(3,029,050)	(3,004,532)
Gross profit		581,456	1,804,680
Administrative expenses		(1,572,570)	(2,022,727)
Operating loss	3	(991,114)	(218,047)
Interest payable and similar expenses	4	(24,496)	(5,061)
Loss on ordinary activities before taxation		(1,015,610)	(223,108)
Tax on loss on ordinary activities	6	-	(737,987)
Loss for the financial year		(1,015,610)	(961,095)

The notes on pages 12 to 21 form part of the financial statements.

All income is generated from continuing operations.

No other comprehensive income was recognised during the current or prior year.

Balance Sheet
at 31 December 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	7	9,850,330		10,149,009	
			9,850,330		10,149,009
Current assets					
Debtors	8	3,444,032		2,224,588	
Cash at bank and in hand		88,668		132,043	
			3,532,700		2,356,631
Creditors: amounts falling due within one year	9		(2,154,928)		(2,109,734)
Net current assets			1,377,772		246,897
Total assets less current liabilities			11,228,102		10,395,906
Creditors: amounts falling due after more than one year	10		(2,020,790)		(486,984)
Provisions for liabilities	11		(3,314,000)		(3,000,000)
Net assets			5,893,312		6,908,922
Capital and reserves	13				
Called up share capital			1,022,500		1,022,500
Share premium account			12,500		12,500
Other reserves			15,500,000		15,500,000
Profit and loss account			(10,641,688)		(9,626,078)
Shareholders' funds			5,893,312		6,908,922

The notes on pages 12 to 21 form part of the financial statements

These financial statements were approved by the board of directors on 26 September 2018 and were signed on its behalf by:

Joseph Robinson
Director

Registered number 04772229

Statement of Changes in Equity

	Called up Share Capital	Share Premium Account	Other Reserves	Profit & Loss Account	Total Equity
	£	£	£	£	£
Balance at 1 January 2016	1,022,500	12,500	15,500,000	(8,664,983)	7,870,017
Total comprehensive loss for the period	-	-	-	(961,095)	(961,095)
Balance as at 31 December 2016	**1,022,500**	**12,500**	**15,500,000**	**(9,626,078)**	**6,908,922**

	Called up Share Capital	Share Premium Account	Other Reserves	Profit & Loss Account	Total Equity
	£	£	£	£	£
Balance at 1 January 2017	1,022,500	12,500	15,500,000	(9,626,922)	6,908,922
Total comprehensive loss for the period	-	-	-	(1,015,610)	(1,015,610)
Balance as at 31 December 2017	**1,022,500**	**12,500**	**15,500,000**	**(10,641,688)**	**5,893,312**

The notes on pages 12 to 21 form part of these accounts

Notes
(forming part of the financial statements)

1 Accounting Policies

1.1 Statement of compliance

Cyclife UK Limited (the "Company") is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 04772229 and the registered address is 1 Joseph Noble Road, Lillyhall, Workington, Cumbria, CA14 4JX.

The principal activities of the company are the provision of waste management to the nuclear and other highly regulated industries.

1.2 Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"). The presentation currency of these statements is sterling and all amounts in the financial statements have been rounded to the nearest £1. The principal accounting policies, which have been applied consistently throughout the year are set out below.

1.3 Going concern

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the companies Act 2006 and applicable accounting standards in the United Kingdom. The directors consider this to be appropriate as the company has continued support of its ultimate parent, EDF SA for at least one year after these financial statements are signed.

1.4 Exemptions for qualifying entities under FRS 102

The Company's parent undertaking, Cyclife Holdings AB includes the company in its consolidated financial statements. The consolidated financial statements of Cyclife Holdings AB are available to the public and may be obtained from Cyclife Holdings SA, Box 610, SE 611 10 Nykoping, Sweden. In these financial statements the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied for exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cashflow statement and related notes;
- from the financial instrument disclosures, required under FRS 102 paragraphs 11.39 to 11.48A and paragraphs 12.26 to 12.29; and
- from the related party transactions, as required by FRS 102 paragraph 33.7.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.15.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are stated at historical purchase cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price plus any incidental costs of purchase. Depreciation on fixed assets is calculated to write off their cost, less estimated residual value, over their expected useful lives at the following annual rates (land is not depreciated):

Long leasehold buildings	2% straight line
Plant and machinery	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	25% straight line
Computer equipment	33% straight line
Decommissioning costs	2% straight line

Notes *(continued)*

1 Accounting Policies *(continued)*

1.5 Tangible fixed assets and depreciation (continued)

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets, until such time as the assets as substantially ready for their intended use.

1.6 Decommissioning costs

Provision has been made in accordance with FRS 102 for site decommissioning costs likely to be incurred in the future on decommissioning a nuclear facility. Full provision is made for the costs, discounted at an appropriate cost of capital.

1.7 Operating leases

Costs in respect of operating leases are charged to the statement of income and retained earnings on a straight line basis over the lease term.

1.8 Accrued income

Income is accrued for on major products at cost only, and released to the statement of income and retained earnings upon achievement of agreed milestones and/or project completion.

1.9 Deferred income

Income is deferred where work has been invoiced in advance of the stage of project completion, with such income being released to the statement of income and retained earnings upon achievement of the relevant project milestones.

1.10 Pension costs

The company operates a money purchase pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the statement of income and retained earnings.

1.11 Deferred taxation

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognized as recoverable and therefore recognized only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measure at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measure on an undiscounted basis.

1.12 Foreign currencies

Transactions denominated in foreign currency are translated into sterling at the rate of exchange ruling on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the end of the financial year. All foreign exchange differences are taken to the statement of income and retained earnings in the year in which they arise.

Notes *(continued)*

1 Accounting Policies *(continued)*

1.13 Turnover

Turnover is recognised to the extent that it is probable that economic benefits will flow to the company and the turnover can be reliably measured. Turnover is recognised exclusive of VAT.

1.14 Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account. Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination.

1.15 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Decommissioning provision

The provision recognised in respect of the decommissioning of the Workington site requires estimates to be made of costs which will be incurred in the future. These future cash flows require assumptions and estimates to be made. The provision is discounted to present value using a discount rate; the selection of an appropriate discount rate also requires judgement.

(ii) Deferred tax

The recoverability of deferred tax assets is a judgmental area as this is dependent on the levels of profit which will be recognised in the future, and as such, inherently uncertain. Board approved budgets are used and the time scale of profits is restricted to five years as the period after this is too uncertain to take into account.

Notes *(continued)*

2 Turnover

All of the turnover derives from the company's main activities of waste management and engineering projects to the nuclear and other highly regulated industries and can be analysed as follows:

	2017	2016
	£	£
By activity:		
Waste Treatment	**3,445,620**	4,809,212
Consultancy	**164,886**	-
Total turnover	**3,610,506**	4,809,122

3 Expenses and auditor's remuneration

	2017	2016
Expenses	£	£
Change in stocks of work in progress	-	39,320
Staff costs	**1,667,699**	1,296,483
Depreciation charge for the year:		
Tangible fixed assets – owned	**305,066**	392,575
Hire of assets – operating leases	**69,759**	81,336
Auditor's remuneration		
Audit fees payable to the company's auditor		
	25,000	30,000

4 Interest payable and similar expenses

	2017	2016
	£	£
Bank interest payable	**641**	3,121
Intercompany interest payable	**23,855**	1,940
Total other interest payable and similar expenses	**24,496**	5,061

Notes *(continued)*

5 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees 2017	2016
Production	23	20
Selling and distribution	3	2
Administration	2	12
Consultancy	2	-
	30	24

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	1,448,475	1,124,357
Social security costs	164,586	128,331
Other pension costs (note 12)	54,638	43,795
	1,667,699	1,296,483

Remuneration for Directors is as follows:

	2017 £	2016 £
Directors' emoluments	205,947	205,000
Contributions to money purchase pension schemes	17,164	16,770
	223,111	221,770

6 Tax on loss on ordinary activities

Tax on expense included in profit and loss

	2017 £	2016 £
Current tax:		
UK corporation tax on losses for the year	-	-
Total current tax	-	-
Deferred tax:		
Losses	-	737,987
Total deferred tax	-	737,987
Tax on loss on ordinary activities	-	737,987

Notes *(continued)*

6 Tax on loss on ordinary activities *(continued)*

Reconciliation of tax charge

The tax assessed for the year is £nil *(2016: £737,987)*

The charge for the year can be reconciled to the statement of income and retained earnings as follows:

	2017 £	2016 £
Loss on ordinary activities before taxation	**(1,105,610)**	(223,108)
Loss multiplied by standard rate of tax in the UK of 19.25% *(2016:20.00%)*	**(194,893)**	(44,622)
Effects of:		
Adjustment from previous periods	-	
Provision against deferred tax asset	-	737,987
Losses not recognised	-	44,622
Deferred tax not recognised	194,893	-
Tax charge for the year	-	737,987

Tax Rate Changes

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1st April 2015) was substantively enacted on 2nd July 2013. Further reductions to 19% (effective from 1st April 2017) to 18% (effective from 1st April 2020) was substantively enacted on 26th Oct 2015, and an additional reduction to 17% (effective from 1st April 2020) was substantively enacted on the 6th September 2016. And this will reduce the company's future current tax charge accordingly.

Notes *(continued)*

7 Tangible fixed assets

	Land and long leasehold buildings	Plant and Equipment	Computer equipment	Fixtures & Fittings	Decommissioning costs	Total
	£	£	£	£	£	£
Cost						
Balance at 1 January 2017	7,391,845	2,081,196	220,082	88,272	3,000,000	12,781,395
Additions	-	6,387	-	-	-	6,387
Balance at 31 December 2017	**7,391,845**	**2,087,583**	**220,082**	**88,272**	**3,000,000**	**12,787,782**
Depreciation and impairment						
Balance at 1 January 2017	471,283	1,441,707	215,175	84,221	420,000	2,632,386
Additions	83,796	155,708	3,787	1,775	60,000	305,066
Balance at 31 December 2017	**555,079**	**1,597,415**	**218,962**	**85,996**	**480,000**	**2,937,452**
Net Book Value						
At 31 December 2017	**6,836,766**	**490,168**	**1,120**	**2,276**	**2,520,000**	**9,850,330**
At 31 December 2016	6,920,562	639,489	4,907	4,051	2,580,000	10,149,009

All the company's tangible assets are held at historical cost.

The aggregate amount of finance costs included in the cost of tangible fixed assets is £nil *(2016: £nil)*.

Notes *(continued)*

8 Debtors

	2017 £	2016 £
Trade debtors	**622,318**	242,724
Amounts recoverable on contracts	**2,497,339**	1,316,776
Amounts owed by group undertakings	**262,202**	604,812
Prepayments and accrued income	**62,173**	60,276
	3,444,032	2,224,588

The entire deferred tax asset is not expected to be utilised within one year. All other amounts are due within one year.

Amounts owed by group undertakings are unsecured and repayable on demand.

9 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	**-**	81,278
Trade creditors	**166,569**	114,545
Amounts owed to group undertakings	**267,291**	1,584,042
Taxation and social security	**210,866**	35,616
Other creditors	**4,000**	85,500
Accruals and deferred income	**1,506,202**	208,753
	2,154,928	2,109,734

Amounts owed to group undertakings are unsecured and repayable on demand.

10 Creditors: amounts falling after more than one year

	2017 £	2016 £
Intercompany loan	**2,020,790**	486,984
Bank loans	**-**	162,555
	2,202,790	649,539

Bank loan balances are secured by way of a parental guarantee from Cyclife Holding and repayable in quarterly instalments. The maturity date of the loan is 10 March 2020. Interest accrues on these balances at a rate of Libor + 2%.

The intercompany loans are unsecured and interest accrues on the balance at a rate of 4.48%

Notes *(continued)*

10 Creditors: amounts falling after more than one year (continued)

The maturity of the loans and overdrafts is as follows:

	2017	2016
	£	£
In one year or less, or on demand	-	81,278
In more than one year, but no more than two year	-	81,277
In more than two years, but no more than five years	2,020,790	486,984
In more than five years	-	-
	2,202,790	649,539

11 Provisions

	Decommissioning provision	GDS Provision
	£	£
Balance at 1 January	3,000,000	-
Provisions created	-	314,000
Balance at 31 December	**3,000,000**	**314,000**

Provision has been made for site decommissioning costs likely to be incurred in the future on the decommissioning of a nuclear facility. No reimbursement asset has been recognised relating to this provision.

The Company has made a provision for remedial works associated with wastes collected from scrap yards in England which do not meet the disposal criteria at the LLW Repository as currently packaged. A value of up to £314,000 has been provided for the costs of retrieving and repacking these wastes from existing containers, the work for which is planned during 2019. The provision represents management's best estimate of the works required and is not likely to vary significantly. There are not likely to be any costs beyond 2019/2020 for this provision.

12 Employee benefits

Pension arrangements

The company pays contributions into money purchase arrangements on behalf of its employees. These are in the form of personal pension plans for which the company has no funding obligation.

Contributions made during the year were £54,638 *(2016: £43,795).*

Notes *(continued)*

13 Capital and reserves

Share capital

	2017	2016
	£	£
Authorised		
(2016: 1,015,000) ordinary shares of £1 each	**1,015,000**	1,015,000
(2016: 10,000) ordinary B shares of £1 each	**10,000**	10,000
	1,025,000	1,025,000
Allotted, called up and fully paid		
(2016: 1,015,000) ordinary shares of £1 each	**1,015,000**	1,015,000
(2016: 7,500) ordinary B shares of £1 each	**7,500**	7,500
	1,022,500	1,022,500

A shares and B shares rank pari passu in all aspects.

14 Operating lease commitments

At 31 December the company had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

	2017	2016
	£	£
Under 1 year	**68,951**	59,300
1-2 years	**137,902**	177,900
3-5 years	**9,998**	59,300
	216,851	296,500

15 Related party transactions

Cyclife UK Limited is wholly owned by Cyclife Holding SAS, whose financial statements are publically available. The company has taken advantage of the exemptions available under FRS 102 and has not disclosed transactions with companies that are wholly owned subsidiaries of Cyclife Holding SAS group of companies.

16 Ultimate and immediate parent company

The Immediate parent undertaking is Cyclife Sweden Holding AB, a company incorporated in Sweden.

Electricite de France SA is the parent undertaking of the largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Electricite de France SA can be obtained from:

Electricite de France SA
22 Avenue de Wagram
Paris
75008
France