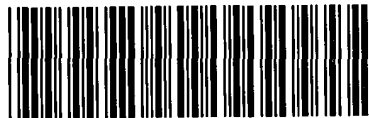


Aquila Nuclear Engineering Limited

Annual Report and Financial Statements 2021

Company registration number: 07442871

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**Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021**

CONTENTS

3	Directors and Advisors
4-8	Strategic Report
9-11	Directors' Report
12	Statement of Directors' Responsibilities in respect of the financial statements
13	Income Statement
13	Statement of Comprehensive Income
14	Balance Sheet
15	Statement of Cash Flows
16	Statement of Changes in Equity
17-20	Statement of Significant Accounting Policies
21-31	Notes to the Financial Statements
32-34	Independent Auditors' Report to the members of Aquila Nuclear Engineering Limited

**Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021**

DIRECTORS AND ADVISORS

Directors

David Barker
Drew William Corbett
Emmanuelle Severine Daniele Chardon (appointed 23rd December 2021)
Frederic Menissier (appointed 23rd December 2021)
Joseph Spencer Robinson (appointed 23rd December 2021)

Registered office

Unit 17, Hazeley Enterprise Park
Hazeley Road
Twyford
Winchester
SO21 1QA

Bankers and financial providers

Wells Fargo Capital Finance Limited
33 King William Street
London
EC4R 9AT

HSBC UK Bank Plc
Level 9
Royal Liver Building
Liverpool
L3 1HU

Solicitors

DLA Piper UK LLP
Victoria Square House
Victoria Square
Birmingham
B2 4DL

Independent auditors

PricewaterhouseCoopers LLP
No 1 Spinningfields
1 Hardman Square
Spinningfields
Manchester
M3 3EB

Aquila Nuclear Engineering Limited Annual Report and Financial Statements 2021

STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 May 2021. The Company's registered number is 07442871.

Principal activities

The Company's principal activity is engineering and consultancy for the nuclear energy and nuclear medicines markets.

Review of the year and future developments

Aquila Nuclear Engineering Limited is a private company limited by shares. The Company is now a well-established brand in the nuclear industry with a good track record of delivering innovative turnkey solutions to the following nuclear markets:

- Decommissioning
- Research & development
- Defence markets
- New nuclear build
- Nuclear medicines

The EBITDA for Aquila Nuclear Engineering Limited was 40% above expectations due to continued growth and robust project delivery in all nuclear markets

The Directors concluded that the impressive quality and mix of opportunities covering all market sectors were a result of a highly focused project research.

Going forward the business has a view of some really exciting opportunities with contracts extending over many years. These UK nuclear projects will provide Aquila with long term revenue streams in high profile national projects. We have also been awarded our largest domestic contract supporting the new nuclear power station at HPC and our largest export contract for hot cells for radiopharmaceutical production in Belgium.

Nuclear decommissioning

We continue to support Magnox directly and via a Tier 2 company on a range of complex decommissioning challenges with further opportunities expected over the coming months.

We have also won an 10 year framework contract at Sellafield through the PPP Framework partners for the nuclearization of instruments which we are sure will expand into additional scope

Aquila has also been delivering solutions to Jacobs through the Decommissioning Services and the professional services Framework to Dounreay.

Nuclear Research & Development

We are awaiting the release of several packages of work for the H3AT facility, to be constructed on site at Culham Centre for Fusion Energy.

In the International arena, we continue to receive tenders for new opportunities and win work for the European Spallation Source (ESS) in Sweden and to execute in-flight projects for the remote cutting of large, irradiated targets and shielded door systems.

At ITER in France we are tendering single source for the design and build of bespoke containment systems through a European partner

Nuclear Defence

Aquila being QC1 approved has established a strong presence within nuclear defence programmes. We principally contract directly with AWE and are also on a long term contract with a team of partners developing new manufacturing process for the UK's continuous at sea deterrent

**Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021**

STRATEGIC REPORT (Continued)

Review of the year and future developments (continued)

Nuclear New Build

We have been awarded our largest turnkey contract for the design and build of specialist gas and liquid analysis housed in containment systems with more opportunities in progress.

Nuclear Medicines

The Nuclear Medicines industry is extremely vibrant globally. We have recently been successful in winning a large design and build Hot Cell contract for a radiopharmaceutical manufacturer in Belgium and concept designs for radiopharmaceutical production cells in the USA and Holland. The global demand for this technology is vast and Aquila intend to capitalise on these opportunities.

BREXIT

Brexit has not materially affected our business, in fact we have gained good business from our European partners since 1 January 2021 and are continuing to build strong long term relationships especially in the nuclear medicines arena.

Key Performance Indicators (KPIs)

The Board uses various KPIs to monitor and benchmark the effectiveness of the Company's performance and position. The main KPI being value of orders on hand for the year ended 31 May 2021 being £12.5m (2020: £8.3m) and EBITDA / Sales. EBITDA is calculated by taking the net profit for the year and adding back net finance costs, non-recurring administrative costs and Depreciation and Amortisation. For the year ended 31 May 2021 this ratio was 9.23% (2020: 1.61%).

Principal Risks, Financial Risks and Uncertainties

COVID-19

During January 2020 there was a global outbreak of a coronavirus (COVID-19), the World Health Organisation declared a "Public Health Emergency of International Concern". The business has seen an impact on operations on overseas projects which due to travel restrictions have meant that installation of some projects has not yet been possible. However, the business has continued in its growth and has doubled in size since March 2020. Financial performance has not been affected adversely and Aquila has achieved our largest EBITDA in its trading history in the period to May 2021. Aquila have encountered temporary delays on some projects due to either Government restrictions imposed on certain sectors, a lack of manpower due to movement restrictions or individual's ill health. In these circumstances, Aquila were able transfer effort to alternative projects, due to the large volume of contracts on our order book.

Operations have continued throughout the pandemic with remote working in place where appropriate. A full COVID-19 risk assessment of the workplace was carried out and is reviewed regularly. Aquila have instilled a COVID-19 policy and issued safe working guidelines to all staff along with ensuring all government advice is adhered to with regards to safe distance working, virtual meetings, screens, hand sanitizing and PPE. Aquila are currently implementing an employee COVID-19 antigen testing policy. Where our operations are continuing, we are fully compliant with all relevant Government guidelines to ensure the safety of our workforce which remains, as always, our primary concern.

Set out below are what the Board consider to be the other main risks affecting the Company together with their mitigation.

STRATEGIC REPORT (Continued)

Principal Risks, Financial Risks and Uncertainties (Continued)

Set out below are what the Board consider to be the main risks affecting the Company together with their mitigation.

Risk	Mitigation
<p>Economic risk</p> <p>The Company could be susceptible to adverse changes in economic conditions and employment levels, impacting profitability and cash flows.</p>	<p>The Company constantly reviews its routes to market, changes in customer demands and expectations and cost base so that it can react appropriately to the impact of the wider economy. Any adverse impact on cash flow could be mitigated in the short term by controls over capital expenditure.</p>
<p>Competitive risk</p> <p>The Company operates in a competitive marketplace. Aggressive pricing from our competitors could cause a reduction in our revenues and margins.</p>	<p>The Company aims to minimise this by continuing to focus on its own strengths such as customer value, service delivery and innovation.</p>
<p>Credit risk</p> <p>The Company is exposed to credit-related losses in the event of default by counterparties.</p>	<p>Credit risk is mitigated by the Company's policy of only selecting counterparties with a strong long-term credit rating and assigning financial limits to individual counterparties. The amounts presented in the balance sheet are net of provisions for doubtful debts. An impairment provision is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. The Company has no significant concentration of credit risk, with exposure spread over a significant number of customers, across several nuclear markets.</p>
<p>Price Risk</p> <p>The Company is exposed to price risk from its suppliers, due to the time difference between bidding for a tender and being successful in winning contracts for work.</p>	<p>The Company builds in contingency to tenders when bidding for new work. This allows for fluctuations in pricing should the time taken between the submission of the tender and the subsequent win of the work and placement of orders exceeds usual agreed fixed price terms.</p>
<p>Interest Rate Risk</p> <p>The Company finances its operations through a mixture of retained profits and borrowing facilities, including Parent Company borrowings and finance leases.</p>	<p>Interest rate risk on finance leases is managed by fixing interest at the contract start date. All leases are on a fixed repayment basis. Parent Company borrowings are seen as long-term borrowings by both parties and as such the board considers the interest rate risk to be low.</p>
<p>Liquidity risk</p> <p>The Company may not have enough funds to finance its operations and future plans.</p>	<p>The Company maintains committed facilities that are designed to ensure sufficient funding for operations and planned expansions. Appropriate facilities are in place until December 2023. The Asset Based Lending scheme means availability of funding flexes with the movement in the working capital levels.</p>

STRATEGIC REPORT (Continued)

Principal Risks, Financial Risks and Uncertainties (Continued)

Technology Risk

The Company uses digital technology in all areas of its operations. There are many risks to consider including hardware and software security, confidential data breaches, business interruption and damage to brand reputation.

The Company relies on various software throughout the company in its day-to-day operations. The Company is Cyber Security Plus Certified, performs regular audits on security of hardware and information stored and undertakes a variety of security measures including changing passwords and limiting access to certain information on an authorised personnel basis only.

Brexit Risk

The Company continues to trade with EU countries and is managing risk exposure in its associated contracts. This risk has been evaluated as having a negligible impact on the Company's activities, workforce, supply chains or data handling.

The Company employs a commercial manager with support from in-house legal counsel whose duties include monitoring the outcome of the Brexit trade deal and advises the board how this trade deal may affect the business in various areas in the future.

Additional risks evaluated by the Company include increased costs of import, export and distribution, border and customs delays, adverse market conditions and volatility, withdrawal of clients and/or suppliers from the UK market. Owing to the Company's market sector, customer portfolio and UK supply chain base, these risks equally present a negligible impact to the Company's activities.

It is becoming somewhat clearer to predict and manage the economic impact of Brexit, however the Company continues to consider how best to mitigate any potential risks using a variety of methods.

Currency fluctuations have appeared no more volatile than pre-Brexit levels.

- Ensuring our major supply chain have all assessed their respective risk for supply and have put mitigation strategies in place to the best of their current knowledge of where delays could be caused. A large proportion of both our suppliers and customers are UK based so the risk is minimised to some degree in this respect.
- The risk of fluctuations in material costs are wherever possible shared with clients and/or the supply chain.
- Continuing to build elements of contingency into tenders for contracts likely to be impacted by the Brexit trade deal, allowing for any possible delays for example.
- Ensuring we are fully compliant with GDPR and the UK legislative equivalent so as to reduce any data transfer restriction risk as much as possible.

Aquila does not rely on grants or funding from EU organisations, other than payments due for contracted works with EU organisations.

Critical suppliers and subcontractors to Aquila are predominantly UK based; however, their own supply chains may comprise EU organisations that present risk in acquiring services and/or goods.

All consequent policies, procedures required to ensure compliance with legal obligations and industry standards as necessary will be adhered to and reviewed regularly in line with changes to the law and ways of working.

Material costs for steel present an ongoing risk for the industry.

Brexit has resulted in some supply chain disruptions. However there has been no material affect on the Company itself. Nor on suppliers or customers which have manifested into additional costs, compliance obligations and possible delays. The Company has considered and taken steps in order to deal with changes to customs and excise procedures, tariffs and rules of origin.

Restrictions on transfer of data between the UK and the EU have been considered between the EU and a "third country" from a UK GDPR perspective.

STRATEGIC REPORT (Continued)

Principal Risks, Financial Risks and Uncertainties (Continued)

Health and safety risk


The Company operates within an office and industrial environment and is therefore exposed to various risks from working with Visual Display Equipment to working in areas where heavy machinery may be operating.

The Company has been identified as critical to national infrastructure so must remain open throughout the COVID-19 pandemic. Staff who cannot work from home are required to work from the Aquila site. Staff are also required to conduct regular client and supplier meetings to progress projects and to ensure compliance with internal company objectives and regulatory legal obligations.

Health and safety are the Company's number one operational priority. The Company is focussed on protecting people's wellbeing and has policies, procedures and standards in place to ensure compliance with legal obligations and industry standards.

The Company released a COVID-19 policy and ensures it is updated regularly in line with the latest government advice. COVID-19 safe working guidelines have been implemented and changes to working areas have been introduced to ensure people are protected. All staff who can work from home have been provided with the necessary equipment to allow safe working in a remote environment.

On behalf of the Board


Dave Barker (May 5, 2022 13:44 GMT+1)

David Barker
Director

05 May 2022

Aquila Nuclear Engineering Limited Annual Report and Financial Statements 2021

DIRECTORS' REPORT

The Directors' present their annual report on the affairs of the Company together with the audited financial statements for the year ended 31 May 2021.

Principal activities and future developments

The principal activities and business overview of the Company are set out within the Strategic Report on pages 4 to 8.

The direction of the business continues to focus on expanding our share in the following 6 nuclear sectors.

- Decommissioning
- Research
- Defence
- New nuclear build
- Nuclear Medicines

Business within the domestic market has been strong with the award of a number of high added value long term contracts in the decommissioning and defence sector. Aquila has also extended its territory beyond the UK with nuclear site licenced clients in Sweden, Belgium, Holland, Austria and USA. With an ever-growing reputation in the nuclear industry for providing pragmatic fit for purpose solutions, Aquila has a secure and ever-increasing client base. This predicted growth in business has allowed the directors to implement a management structure appropriate for a doubling in size to June 2021 from June 2020.

Management of contracts continue to meet and exceed client's expectations with Aquila routinely matching and overperforming on predicted contract margins. The management team are fully aligned and meet regularly to share experiences with the objective of minimising risk and capitalising on opportunities for the business.

Results and dividends

The results of the Company for the financial year are set out in the Income Statement on page 13.

The Directors do not recommend the payment of a dividend (2020: nil)

Directors

The Directors, who served during the year, and up to the date of signing of the financial statements, were as follows:

- David Barker
- Elizabeth Jane Wheeler (Resigned 23rd December 2021)
- Drew William Corbett
- Iain Clarkson (Resigned 23rd December 2021)
- John Edward Adams (appointed 1st August 2020) (Resigned 23rd December 2021)
- Emmanuelle Severine Daniele Chardon (appointed 23rd December 2021)
- Frederic Menissier (appointed 23rd December 2021)
- Joseph Spencer Robinson (appointed 23rd December 2021)

None of the Directors have any material interests in contracts of the Company.

Directors' indemnities

The Company has made qualifying third-party indemnity provisions for the benefit of its Directors which were made during the year and remain in force at the date of this report.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

**Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021**

DIRECTORS' REPORT (Continued)

Employee consultation

The Company places considerable value on the involvement of its employees and keeps them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. This is achieved through formal and informal meetings and team briefings. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Political donations

The Company did not make any political donations (2020: £nil) or incur any political expenditure during the year (2020: £nil).

Subsequent Events

Aquila was acquired by Cyclife SAS, a subsidiary of Électricité De France S.A. on the 23rd December 2021. At the point of sale Cyclife invested capital into Aquila allowing for all intercompany loans to be repaid to the previous owner Calder Group Holdings Ltd reducing liabilities and creating a positive balance sheet for Aquila Nuclear Engineering Limited.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 8. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements and include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

As highlighted in note 13 to the financial statements, the Company meets its day-to-day working capital requirements through cash generated by its operations and with the support of its new parent Cyclife Sas, a wholly owned subsidiary of Électricité De France S.A. This acquisition took place on 23rd December 2021. The Company has contracts with several key customers and suppliers across different market sectors and the Company's forecasts and projections, taking account of possible changes in trading performance, show that the Company will be able to operate and grow in line with the expectations of the new owner.

While the COVID-19 pandemic continues to have an impact on the company's markets, due to the critical nature of many of the applications and end markets that Aquila Nuclear Engineering Limited services, the Company's operations continue to perform satisfactorily and within the guidelines issued by the UK Governments. The Company took advantage of available government furlough and deferred VAT schemes.

Aquila was acquired by Cyclife Sas, a subsidiary of Électricité De France S.A. on the 23rd December 2021. At the point of sale Cyclife invested capital into Aquila allowing for all intercompany loans to be repaid to the previous owner Calder Group Holdings Limited reducing liabilities and creating a positive balance sheet for Aquila Nuclear Engineering Limited.

A thorough due diligence process was carried out over a period of four months from September 2021 to December 2021 which resulted in the acquisition of Aquila Nuclear Engineering Limited by Cyclife SAS.

Based on this assessment and the integration of the Company into the Cyclife Group the directors have a strong expectation that the Group and the Company have adequate resources to further grow the Company and to continue in operational existence for the foreseeable future.

Further details regarding the adoption of the going concern basis can be found in the Statement of Significant Accounting Policies in the financial statements.

Financial risk management

Details are set out in the Strategic Report on pages 4 to 8.

**Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021**

DIRECTORS' REPORT (Continued)

Statement on disclosure of information to auditors

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and


they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant *audit information* and to establish that the *company's auditors are aware of that information*.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Independent Auditors

The independent auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed in the Annual Board Meeting.

On behalf of the Board


Dave Barker (May 5, 2022 13:44 GMT+1)

David Barker
Director

05 May 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Aquila Nuclear Engineering Limited 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, 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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 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 also 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.

David Barker
Director


COMPANIES ACT 2006 (SECTION 127)
05 May 2022

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

INCOME STATEMENT

Year ended 31 May 2021.

	Note	2021 £000s	2020 £000s
Revenue	1	9,915	5,719
Cost of sales		(7,725)	(4,620)
Gross Profit		2,190	1,099
Sales and distribution expenses		(443)	(461)
Administration expenses		(1,147)	(854)
Operating Profit/(loss)		600	(216)
Financial Expenses	3	(47)	(12)
Net Finance costs		(47)	(12)
Profit/(Loss) before taxation	2	553	(228)
Tax	5	(155)	137
Profit/(Loss) attributable to equity holders of the Company		398	(91)

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 May 2021.

	2021 £000s	2020 £000s
Profit/(Loss) for the year	398	(91)
Other comprehensive income/(expense):		
<i>Items that will not be reclassified to profit or loss:</i>		
IFRS16 Leases	6	(2)
Other comprehensive income/(expense) for the year	6	(2)
Total comprehensive income/(expense) for the year	404	(93)

All profits/(losses) relate to continuing operations.

The statement of significant accounting policies and notes on pages 17 to 31 are an integral part of these financial statements.

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

BALANCE SHEET

As at 31 May 2021

	Note	2021 £000s	2020 £000s
Assets			
Property, plant and equipment	6	1,620	1,487
Deferred income tax assets	11	323	422
Total Non-current Assets		1,943	1,909
Current Assets			
Trade and other receivables	7	2,144	1,801
Cash and cash equivalents	8	918	581
Current income tax asset		251	96
Total Current Assets		3,313	2,478
Total Assets		5,256	4,387
Non-current Liabilities			
Borrowings	9	(1,034)	(1,047)
Total non-current liabilities		(1,034)	(1,047)
Current Liabilities			
Trade and other payables	10	(6,318)	(5,841)
Borrowings	9	(218)	(217)
Total Current Liabilities		(6,536)	(6,058)
Total Liabilities		(7,570)	(7,105)
Net Liabilities		(2,314)	(2,718)
Equity			
Share capital	12	1	1
Accumulated Losses		(2,315)	(2,719)
Total Equity attributable to the Company's Shareholders		(2,314)	(2,718)

The statement of significant accounting policies and notes on pages 17 to 31 are an integral part of these financial statements.

The financial statements on pages 13 to 31 were approved by the Board of Directors on 5th May 2022 and signed on its behalf by:

Drew William Corbett
 Director


 Drew Corbett (May 5, 2022 13:47 GMT+1)

05 May 2022

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

STATEMENT OF CASH FLOWS

Year ended 31 May 2021.

	Note	2021 £000s	Restated - 2020 £000s
Cash flows from operating activities			
Profit/(Loss) before taxation		553	(228)
Adjustments for:			
Depreciation	6	315	222
Research and development credit		(310)	(24)
Loss of sales of property, plant and equipment		1	-
Net finance costs	9	47	12
Cash flows from/(used in) operations		606	(18)
Increase in trade and other receivables		(343)	(887)
Increase in trade and other payables		477	1,571
Interest paid	9	(47)	(12)
Income taxes received		97	73
Net cash generated from operating activities		790	727
Cash flows from investing activities			
Purchase of property, plant and equipment*	6	(267)	(114)
Proceeds on disposal of property, plant & equipment		-	1
Net cash used in investing activities		(441)	(1,252)
Cash flows from financing activities			
Proceeds from borrowings*	9	47	13
Repayment of borrowings	9	(233)	(178)
Net cash (used in)/generated from financing activities		(12)	974
Net increase in cash and cash equivalents		337	449
Cash and cash equivalents at the beginning of the year		581	132
Cash and cash equivalents at the end of the year	8	918	581

* The cash flow statement for the year ended 31 May 2020 has been restated to rectify the treatment of non-cash items relating to additions to right of use assets. The Company previously presented the additions to right of use assets as cash inflow in investing activities and cash outflow in financing activities. As these are not non-cash items, comparative figures for the 2020 financial year have been restated. The restatement for the year ended 31 May 2020 decreases net cash used in investing activities and net cash generated used in financing activities by £1,139.

Restatement of 2020

	As previously stated £'000	Adjustment £'000	Restated £'000
Purchase of property plant and equipment	1,253	(1,139)	114
Proceeds from borrowings	1,152	(1,139)	13

The statement of significant accounting policies and notes on pages 17 to 31 are an integral part of these financial statements.

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

STATEMENT OF CHANGES IN EQUITY

Year ended 31 May 2021.

	Share Capital	Accumulated Losses	Total
	£000s	£000s	£000s
Balance at 1 June 2019	1	(2,626)	(2,625)
Loss for the year	-	(91)	(91)
IFRS16 Leases	-	(2)	(2)
Total comprehensive loss for the year	-	(93)	(93)
Balance at 31 May 2020	1	(2,719)	(2,718)
Profit for the year	-	398	398
IFRS16 Leases	-	6	6
Total comprehensive profit for the year	-	404	404
Balance at 31 May 2021	1	(2,315)	(2,314)

The statement of significant accounting policies and notes on pages 17 to 31 are an integral part of these financial statements.

Aquila Nuclear Engineering Limited Annual Report and Financial Statements 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Background

Aquila Nuclear Engineering Limited is a private company limited by shares, incorporated and domiciled in England, United Kingdom.

Its registered office is Unit 17, Hazeley Enterprise Park, Hazeley Road, Twyford, Winchester, SO21 1QA with a registered number of 07442871.

Aquila Nuclear Engineering Limited, design and project manage, engineering solutions within the nuclear industry.

Basis of preparation

The principal accounting policies for the Company applied in the preparation of this financial report are set out below. These policies have been consistently applied to the information presented, unless otherwise stated.

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements of Aquila Nuclear Engineering Limited have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006, and applicable law.

The company has taken the exemption of disclosing key management compensation from the requirements of Paragraph 17 of IAS 24, "Related party disclosures" (key management compensation), in accordance international accounting standards in conformity with the requirements of the Companies Act 2006.

The accounting policies set out below have been applied consistently to all periods presented in this report.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 4 to 8. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are described in the notes to the financial statements and include the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

As highlighted in note 13 to the financial statements, the Company meets its day-to-day working capital requirements through cash generated by its operations and with the support of its new parent Cyclife Sas, a wholly owned subsidiary of Électricité De France S.A. This acquisition took place on 23rd December 2021. The Company has contracts with several key customers and suppliers across different market sectors and the Company's forecasts and projections, taking account of possible changes in trading performance, show that the Company will be able to operate and grow in line with the expectations of the new owner.

While the COVID-19 pandemic continues to have an impact on the company's markets, due to the critical nature of many of the applications and end markets that Aquila Nuclear Engineering Limited services, the Company's operations continue to perform satisfactorily and within the guidelines issued by the UK Governments. The Company took advantage of available government furlough and deferred VAT schemes.

Aquila was acquired by Cyclife Sas, a subsidiary of Électricité De France S.A. on the 23rd December 2021. At the point of sale Cyclife invested capital into Aquila allowing for all intercompany loans to be repaid to the previous owner Calder Group Holdings Limited reducing liabilities and creating a positive balance sheet for Aquila Nuclear Engineering Limited.

A thorough due diligence process was carried out over a period of four months from September 2021 to December 2021 which resulted in the acquisition of Aquila Nuclear Engineering Limited by Cyclife SAS.

Based on this assessment and the integration of the Company into the Cyclife Group the directors have a strong expectation that the Group and the Company have adequate resources to further grow the Company and to continue in operational existence for the foreseeable future.

Further details regarding the adoption of the going concern basis can be found in the Statement of Significant Accounting Policies in the financial statements.

**Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021**

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the end of the period of the transaction is included as an exchange gain or loss in the income statement.

Employee benefits

For defined contribution plans, contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and provision for impairment in value. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is provided on all property, plant and equipment, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life "UEL" as follows:

• Land & Buildings	20.00% on cost – UEL 5 years
• Leasehold improvements	20.00% on cost – UEL 5 years
• Office Equipment / Fixtures and Fittings	20.00% to 33.00% on cost – UEL 3-5 Years
• Plant and machinery	20.00% on cost – UEL 5 Years
• Motor Vehicles	33.33% on cost – UEL 3 years

Residual value is calculated on prices prevailing at the date of acquisition.

Cash and cash equivalents

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand.

Trade and other receivables

The Company applies the IFRS9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. The trade receivables are grouped based on days past due.

The Company examines the historical profile of credit, the market and customers are closely monitored, along with macroeconomic factors that could impact the credit risk. The process is continuous throughout the year as part of senior management team reviews, and the Company has determined based on the historical periods that the expected credit losses should be assessed at 0%, as there is no underlying risk identified during the year or at 31 May 2021.

In the event there are circumstances that impact the receivable balances, and the likely recoverability of that receivable will then be impaired based on the expected credit loss specific to that receivable. The factors assessed with counterparties are significant financial difficulties, probability they will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable be impaired.

The amount of the provision is the difference between the carrying amount and the present value of estimated future cash flows of the asset, discounted, where material, at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Income Statement within 'administrative expenses' should they arise. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'operating expenses' in the Income Statement.

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Trade and other receivables (Continued)

The Company applies IFRS15 in order to recognise revenue within the financial statements which ensures a contract is not recognised within the order book until a contract or purchase order, signed by both parties is received into the Company.

Individual performance obligations are identified within the contract including milestones and therefore stage payments, which are dependent on percentage complete of the project. This determines when invoices can be issued to the customer. The final transaction price is agreed within the signed contract, in some cases variations to contract are agreed following the commencement of the original contract, at all stages each performance obligation has a price attached.

It is the Company's policy to recognise revenue as the performance obligations are fulfilled. This is achieved by using the *percentage of work complete method in line with performance obligations and milestones met to determine the appropriate revenue to include at each stage of the contract*. Revenue invoices are issued to customers when milestones are met, the revenue is recognised on a percentage completion basis.

Taxation

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is not accounted for if it arises 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 by the balance sheet date and that are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Trade and other payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Trade payables are non-interest bearing.

Leases

Leases are classified within the company according to Group policy, as finance, right of use, short term or low value leases.

- The lease obligation for finance leases and right of use leases is measured at the present value over the lease term, applying the effective borrowing rate of the Group. The lease term is determined by the non-cancellable period in the lease taking into account any extension or termination options. The value of the lease obligation then reduces over the life of the lease by the cash repayments, less the interest charged to the obligation and finance costs in the income statement. Lease obligations are disclosed in the borrowings note 9.

The company recognises the right of control of the assets financed by lease and consequently capitalises them according to the relevant asset classification in property, plant and equipment see note 6. The assets are also valued at the net present value of the future cashflows, including any initial payment or deposit on commencement of the lease.

- Leases held for a short-term contract, twelve months or less, or are low in value, less than £3.2k (€3.5k according to the Group policy) are charged to the Income Statement on a straight-line basis over the lease term according to their cash payments made. The impact on the Income Statement is disclosed in the borrowings note 9. If there are any leases held by the Company in this way a lease commitment disclosure would be provided, however there were no short-term contract or low value leases held by the company for the periods disclosed in these financial statements.

STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Critical accounting estimates and assumptions

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. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are set out below:

- **Income taxes**

Judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

- **Revenue recognition**

Revenue represents the fair value of consideration received or receivable for the sale of goods and services supplied in the ordinary course of the Company's activities, and is stated exclusive of VAT and similar taxes, but inclusive of discounts and rebates. Revenue is recognised when goods are despatched or when services are provided. When the company undertakes projects over a period of time the revenue recognised is agreed to an assessment with the customer and invoiced as a stage valuation. Associated costs are matched in the period. The Company recognises monies received from customers as at the balance sheet date, relating to goods and services to be provided in future periods, as deferred income which forms part of trade and other receivables. Interest receivable on bank deposits and other items is not classed as revenue but included within finance income.

Interpretations and amendments to published standards effective for the year ended 31 May 2021.

New and amended standards adopted by the Company:

- Amendments to IFRS 3 Definition of a business
- Amendments to IAS 1 and ISAS 8 on the definition of material
- Amendments to IFRS 9, IAS 39, and IFRS 7 Interest rate benchmark reform
- Amendments to IFRS 16 'Leases' - Covid-19 related rent concessions

The adoption of these accounting standards did not have a material impact on the Company's financial statements

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 May 2021 reporting periods and have not been early adopted by the Company. None of these are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

- Amendment to IFRS 16, 'Leases' – Covid-19 related rent concessions Extension of the practical expedient
- Amendments to IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform – Phase 2)
- Amendments to IAS 1, Presentation of financial statements on classification of liabilities
- Amendment to IAS 12- deferred tax related to assets and liabilities arising from a single transaction
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

NOTES TO THE FINANCIAL STATEMENTS

(1) Revenue

	2021			2020		
	United Kingdom	Other EU countries	Total	United Kingdom	Other EU countries	Total
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Goods	7,452	2,463	9,915	5,235	484	5,719
Revenue by destination	7,452	2,463	9,915	5,235	484	5,719

All revenue arises on one class of business, 75.16% within the United Kingdom (2020: 91.54%), 24.84% within the EU (2020: 8.46%)

(2) Profit/ (Loss) before taxation

Is stated after charging/(crediting):

	2021	2020
	£000s	£000s
Depreciation – owned	111	60
Depreciation – Right of Use	204	162
Research & Development Tax Credit	(310)	(24)
Auditors' fees payable to the Company auditors for audit fees only	14	12
Non-recurring administrative costs	-	98

Non-recurring administration expenses in 2020 relate to redundancy costs.

Fees paid to PricewaterhouseCoopers LLP for non-audit services were £nil (2020: £nil)

(3) Financial Expenses

	2021	2020
	£000s	£000s
Interest on lease payments	47	12
	47	12

(4) Directors and employees

Employee costs	2021	2020
	£000s	£000s
Wages and salaries	2,719	1,847
Social security costs	261	180
Other pension costs	104	89
Staff costs	3,084	2,116

Monthly Average number of people employed	2021	2020
	Number	Number
Production	42	28
Sales and distribution	11	11
Administrative	6	4
Monthly Average number employed by the Company	59	43

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(4) Directors and employees (Continued)

Directors' remuneration	2021 £000s	2020 £000s
Aggregate directors' emoluments	447	380
Aggregate pension contributions of the directors	22	21
Aggregate compensation to directors for loss of office	-	88
	469	489
Emoluments of the highest paid director	158	139
Pension contributions of the highest paid director	8	8
	166	147

(5) Tax

	2021 £000s	2020 £000s
Current tax charge		
- Current year UK	-	-
- In respect of prior periods	-	-
Current tax charge	-	-
Deferred tax (credit)/charge		
- Origination and reversal of timing differences	61	(86)
- Adjustments in respect of prior periods	92	(21)
- Effect of tax rate changes	2	(30)
Deferred tax charge / (credit)	155	(137)
Total tax on ordinary activities before taxation	155	(137)

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%).

In the March 2021 Budget, it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective from 1 April 2023. This was substantively enacted on 24 May 2021, as such deferred tax balances as at 31 May 2021 have been measured at 25% as appropriate, according to when the deferred tax is expected to unwind.

The differences between the total tax shown above and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax are as follows:

	2021 £000s	2020 £000s
Profit/(Loss) on ordinary activities before taxation	553	(228)
Tax on loss on ordinary activities at standard UK corporation tax rate of 19.00% (2020: 19.00%)	103	(43)
Effects of:		
- Movements in short-term timing differences	-	-
- Adjustment in respect of prior periods	92	(21)
- Expenses not deductible	32	3
- Unrecognised deferred tax	2	5
- Tax rate changes	2	(29)
- Income not taxable	-	(35)
- Amounts not recognised	(59)	-
- Transfer pricing adjustments	(17)	(17)
Total tax charge / (credit)	155	(137)

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(6) Property, plant and equipment

	Leasehold	Land and	Plant and machinery		Office		Motor	Asset	Total
	Improvem- ents	Buildings	Owned	Right of	Equipment/fixtures and fittings	Use	Vehicles	Under Constructi- on	
	Owned	Right of Use	Owned	Use	Owned	Right of Use	Right of Use	Owned	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
Cost									
At 1 June 2019	50	655	82	21	390	52	18	79	1,347
Additions	-	1,118	62	-	52	-	21	-	1,253
Disposals	(2)	-	-	-	(22)	-	(18)	-	(42)
Reclassifications	-	-	79	-	-	-	-	(79)	-
At 31 May 2020	48	1,773	223	21	420	52	21	-	2,558
Additions	16	174	4	-	247	-	-	-	441
Disposals	-	-	-	-	(1)	-	-	-	(1)
Revaluation	-	8	-	-	-	-	-	-	8
At 31 May 2021	64	1,955	227	21	666	52	21	-	3,006
Accumulated depreciation and impairment									
At 1 June 2019	(32)	(412)	(77)	(8)	(323)	(22)	(17)	-	(891)
Charge	(5)	(142)	(15)	(4)	(40)	(11)	(5)	-	(222)
Disposals	3	-	(1)	-	21	(2)	21	-	42
At 31 May 2020	(34)	(554)	(93)	(12)	(342)	(35)	(1)	-	(1,071)
Charge	(7)	(187)	(29)	(3)	(75)	(10)	(4)	-	(315)
Disposals	-	-	-	-	-	-	-	-	-
At 31 May 2021	(41)	(741)	(122)	(15)	(417)	(45)	(5)	-	(1,386)
Carrying amount									
At 31 May 2019	18	243	5	13	67	30	1	79	456
At 31 May 2020	14	1,219	130	9	78	17	20	-	1,487
At 31 May 2021	23	1,214	105	6	249	7	16	-	1,620

(7) Trade and other receivables

	2021	2020
	£000s	£000s
Trade receivables (see below)	805	992
Amounts recoverable in contracts	948	499
Other taxation and social security	204	150
Prepayments and accrued income	2	21
Other receivables	185	139
	2,144	1,801

Amounts owed by Group companies are unsecured, interest free and are to be repayable on demand.

Trade receivables – further information	2021	2020
	£000s	£000s
Less than three months	805	992
	805	992

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

Trade and other receivables (Continued)

Trade receivables which are less than three months past due are not considered impaired. Trade receivables greater than three months past due are considered for recoverability and, where appropriate, a provision against bad debts is recognised. The Company's receivables from related parties are not considered past due or impaired.

Amounts charged to the provision account are generally written off when there is no expectation of recovering additional cash. The maximum exposure to credit risk at the balance sheet date is the fair value of each class of receivable detailed above.

(8) Cash and cash equivalents

	2021	2020
	£000s	£000s
Denominated in Sterling (GBP)– HSBC - Rating A-1+	601	-
Denominated in Sterling (GBP)– HSBC - Rating A-2	-	581
Denominated in Euro (EUR) – HSBC - Rating A-1+	317	-
	918	581

The fair value of cash and cash equivalents approximate to their carrying amount.

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(9) Borrowings

a) By Maturity	Land and Buildings	Plant and machinery	Office Equip/fixtures and fittings	Motor Vehicles	Total
	£000s	£000s	£000s	£000s	£000s
At 1 June 2019	248	11	28	3	290
Additions	1,119	-	-	21	1,140
Repayments	(157)	(4)	(12)	(5)	(178)
Interest	11	-	1	-	12
At 31 May 2020	1,221	7	17	19	1,264
Additions	174	-	-	-	174
Repayments	(212)	(4)	(12)	(5)	(233)
Interest	45	-	1	1	47
At 31 May 2021	1,228	3	6	15	1,252
Maturity of Borrowings Years					
	£000s	£000s	£000s	£000s	£000s
Between:					
0-1 year	148	3	10	3	164
1-2 years	100	3	11	-	114
2-5 years	-	5	7	-	12
5 years and over	-	-	-	-	-
At 31 May 2019	248	11	28	3	290
Between:					
0-1 year	199	3	10	5	217
1-2 years	202	3	7	5	217
2-5 years	620	1	-	9	630
5 years and over	200	-	-	-	200
At 31 May 2020	1,221	7	17	19	1,264
Between:					
0-1 year	208	2	3	5	218
1-2 years	208	1	3	5	217
2-5 years	625	-	-	5	630
5 years and over	187	-	-	-	187
At 31 May 2021	1,228	3	6	15	1,252
Maturity of Borrowings					
Current and Non-Current					
Current	148	3	10	3	164
Non-current	100	8	18	-	126
At 31 May 2019	248	11	28	3	290
Current	199	3	10	5	217
Non-current	1,022	4	7	14	1,047
At 31 May 2020	1,221	7	17	19	1,264
Current	208	2	3	5	218
Non-current	1,020	1	3	10	1,034
At 31 May 2021	1,228	3	6	15	1,252

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(9) Borrowings (continued)

b) Amounts relating to leases recognised in the income statement.

	2021	2020
	£000s	£000s
Depreciation charge on right of use assets:		
Land & Buildings	187	142
Plant and Machinery	3	4
Office Equipment/Fixtures and Fittings	10	11
Motor Vehicles	4	5
Total depreciation in respect of leased assets	204	162
Interest included in finance costs	47	12
Total amounts recognised in the Income Statement	251	174

c) The Company's leasing activities and accounting thereof

Assets and liabilities arising from a lease are initially measured on a present value basis looking back to the inception of the leases. The lease liabilities include the net present value of the following lease payments:

- Fixed payments, less any lease incentives received or receivable.
- Variable lease payments that are based on an index or a rate.
- Amounts expected to be payable by the lessee under residual value guarantees.
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.
- Payment of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

The lease payments are discounted using the interest rate implicit in the lease, if that rate can be determined, or the Group incremental borrowing rate issued by Calder Group Holdings Limited, the Company's ultimate UK parent.

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability using the retrospective method from the date at the lease inception.
- Any lease payments made from the beginning of the lease at or before the commencement date less any lease incentive received.
- Any interest charged from the beginning of the lease to the commencement date.
- Any initial direct costs to enable the use of the asset.
- Restoration costs.

Payments associated with short term leases and leases of low value assets are recognised on a straight-line basis as an expense in the income statement. Short term leases are leases of twelve months or less. Low value assets comprise IT equipment and small items of office equipment of less than €3.5k, according to Group policy interpreted from \$5k in IFRS16.

d) Variable lease payments

Where lease agreements have a formula of calculation for revaluation of that lease within the lease term, the best estimate at the inception of the lease is calculated using known factors. During the life of the lease, as revaluations are confirmed this is treated as an event which will result in a change in the valuation of the lease liability (and the underlying asset). The depreciation and interest is recognised in the Income Statement using the interest rate implicit in the revaluation or the Group's incremental borrowing rate at that point in time.

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(9) Borrowings (continued)

e) Extension and termination options

It is assumed at the inception of all leases in the Company that they will be completed until the end, termination of leases is not anticipated. If a lease is terminated, then the relevant accounting transactions would be recognised in the Balance Sheet or the Income Statement to remove the asset from the accounts. In some instances, extensions are available on property, plant and equipment lease. However, in all instances, the leases will be valued to the end of the lease as dated in the lease contracts. In no instances will a lease be entered into anticipating that it will be terminated early, an extension may be anticipated. At the point in time when an extension occurs, the value of the lease will be reassessed with the new contractual payments.

f) Residual value guarantee

To optimise lease cost during the contract period, the Company sometimes provides residual value guarantees in relation to equipment leases, this is particularly common with motor vehicle leases. It is expected that the residual value is estimated at the inception of the lease, but should the residual value significantly change during the lease, then the liability and asset value would be adjusted, which would also impact the depreciation and interest recognised in the Income Statement.

(10) Trade and other payables

	2021 £000s	2020 £000s
Trade payables	1,749	812
Payments on account	346	936
Amounts owed to Group companies	3,620	3,715
Other payables	570	344
Other taxation and social security liabilities	21	22
Accruals	12	12
	6,318	5,841

Amounts owed to Group companies are interest free, unsecured and are repayable on demand.

The fair value of trade and other payables approximate to their carrying amount.

(11) Deferred income tax assets

	Short term timing differences £000s	Total £000s
At 1 June 2019	280	280
Credit to income	142	142
At 31 May 2020	422	422
Debit to income	(155)	(155)
Prior year credit to income	56	56
At 31 May 2021	323	323

Deferred income tax assets include amounts in respect of prior year losses. The Company has concluded that the deferred assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets.

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(12) Share capital

	2021 000s	2020 000s
Authorised		
950 (2020: 900) Ordinary Shares of £1 each	0.950	0.900
50 (2020:50) A Ordinary Shares of £1 each	0.050	0.050
- (2020:50) B Ordinary Shares of £1 each	0.000	0.050
Total	1.000	1.000
Allotted, called-up and fully paid		
950 (2020:900) Ordinary Shares of £1 each	0.950	0.900
50 (2020:50) A Ordinary Shares of £1 each	0.050	0.050
- (2020:50) B Ordinary Shares of £1 each	0.000	0.050
Total	1.000	1.000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company.

(13) Financial risk management

This note explains the Company's exposure to financial risks and how these risks could affect the Company's future financial performance. Current year income statement information has been included where relevant.

Risk	Exposure	Measurement	Management
Market risk - Interest risk	Right of use lease obligations and other borrowings	Income statement charge	Income Statement: The Group manages the funding of the Company and borrowing rates
Market risk - Credit risk	Cash and cash equivalents, trade receivables, lease commitments	Cashflow forecasting Credit control management	Balance Sheet: Credit limits, letters of credit
Liquidity risk	Borrowings and other liabilities Group performance	Rolling cash flows and bank covenant calculations	Income Statement: KPI tracking
Capital Management	Negative equity	Net cash and amounts due to parent company	Balance Sheet Daily cash forecasting and monitoring

The Company's risks and exposures are identified by the management team in conjunction with the Group Directors. The method of risk management is agreed by all and the Company's local management team is responsible for executing the policies approved to limit transactional risks for the individual company's balance sheet and income statement.

(i) Interest risk

The Company does not incur material interest costs and therefore is not subject to interest rate risk.

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(13) Financial risk management (continued)

(ii) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions and credit exposures to trading customers, including outstanding receivables.

Credit risk is managed by the local management using policies approved by Board of Directors and is overseen by the Group finance team. If trading customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The compliance with credit limits by trading customers is regularly monitored by line management.

For some trade receivables the Company may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

Trade and other receivable balances subject to credit risk are outlined in note 7.

(iii) Liquidity risk

The execution of this risk management is overseen by the Group finance team. The Company's borrowings are negotiated centrally with the group financiers and cash flow forecasts and covenants are tracked centrally for the group to ensure liquidity risk is reduced.

(iv) Capital Management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern via regular monitoring of the capital position and considering ways to spread risk. The Company manages cash as capital through daily monitoring and forecasting. Objectives for managing cash are met internally through meeting targets, and externally by communication with group support, ensuring funds are available to allow the continuity of payables in order for projects to flow.

	2021	2020
	£000s	£000s
Cash and Cash Equivalents	918	581
Amounts due to Parent Company	(3,620)	(3,715)
Total Capital	(2,702)	(3,134)

(14) Guarantees and other financial commitments

(a) Lease commitments

The company does not have any lease commitments subsequent to the implementation of IFRS16 Leases to the accounts. All leases previously reported in lease commitments have been recognised in lease obligations within borrowings on the Balance Sheet and the underlying asset has been capitalised to the relevant asset class in property, plant and equipment.

(b) Group guarantees

All Group companies have given guarantees in respect of the bank and other loans taken out by certain Group companies. At 31 May 2021, the total amount for asset-based lending facilities guaranteed was €24,004k (2020: €19,596k). The equivalent in GBP for UK companies is £20,591k (2020: £17,670k).

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(15) Financial instruments

IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures, also require numerical disclosures in respect of financial assets and liabilities and these are set out below and in notes 7, 8 and 10. Financial assets and liabilities are stated at either amortised cost or fair value. Where stated at amortised cost, this is not materially different to the fair value unless otherwise stated due to their short-term nature.

	2021	2020
	£000s	£000s
Financial assets		
Cash – HSBC (Rating A-1+)	918	-
Cash – HSBC (Rating A-2)	-	581
Trade receivables	805	992
Total financial assets	1,723	1,573
Financial Liabilities		
Trade payables	(1,749)	(812)
Total financial Liabilities	(1,749)	(812)

There are no other financial assets or liabilities that are neither past due nor impaired.

(16) Pension costs

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge disclosed in note 4 represents contributions payable by the Company to the fund.

(17) Related parties and controlling interests

The Directors regard Calder Group Limited as the immediate parent company.

The ultimate parent company for the purposes of consolidation for the year ended 31 May 2021 is Calder Group Holdings Limited. This is both the largest and smallest group of undertakings for which financial statements are publicly available from.

The Calder Group Holdings Limited financial statements are publicly available from its registered office, Jupiter Drive, Chester West Employment Park, Chester, CH1 4EX.

(a) Transactions with Other Group companies:

	2021	2020
	£000s	£000s
Purchases from Other Group Companies	(301)	(19)
Amounts due to Parent company	(3,620)	(3,715)
Amounts due from Other Group Companies	-	-

(b) Related party transactions for key management personnel

Marketing services were provided by a company called Glow Marketing Limited. One of the directors of that company is married to a director of Aquila Nuclear Engineering Limited. Transactions in 2021 amounted to £56,225 (2020: £55,283). Year-end balance due to Glow Marketing Limited as at 31 May 2021 was £5,395 (2020: £2,370).

Key management comprises the directors of the Company. Their compensation is set out in note 4.

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

NOTES TO THE FINANCIAL STATEMENTS (Continued)

(18) Subsequent Events

Change of ownership

Aquila was acquired by Cyclife SAS, a subsidiary of Électricité De France S.A. on the 23rd December 2021. At the point of sale Cyclife invested capital into Aquila allowing for all intercompany loans to be repaid to the previous owner Calder Group Holdings Ltd reducing liabilities and creating a positive balance sheet for Aquila Nuclear Engineering Limited.

Independent auditors' report to the members of Aquila Nuclear Engineering Limited

Report on the audit of the financial statements

Opinion

In our opinion, Aquila Nuclear Engineering Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 May 2021; the income statement, statement of comprehensive income, statement of cash flows and statement of changes in equity for the year then ended; the statement of significant accounting policies; and the notes to the financial statements.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

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

Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 May 2021 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of fraudulent journal entries, designed to manipulate financial performance

**Aquila Nuclear Engineering Limited
Annual Report and Financial Statements 2021**

and/or position of the company and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inquiry of those charged with governance to assess if there any are instances of non-compliance with laws or regulations that have a material effect on the financial statements;
- reviewing minutes of board meetings held between the directors to assess if there have been any instances of non-compliance with relevant laws or regulations;
- testing journal entries meeting specific risk criteria, testing accounting estimates for indication of management bias and evaluating the business rationale of any significant transactions outside the normal course of business;
- reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- reviewing legal expense listings to identify indications of potential non-compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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 obtained 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

5 May 2022