



IRSN

INSTITUT
DE RADIOPROTECTION
ET DE SÛRETÉ NUCLÉAIRE

Enhancing nuclear safety

FINANCIAL REPORT 2014

TABLE OF CONTENTS

MANAGEMENT REPORT p. 4 / FINANCIAL
STATEMENTS AND APPENDIX TO THE ANNUAL
ACCOUNTS p. 17 / AUDITOR'S REPORT p. 37

MANAGEMENT REPORT

CONTEXT p.5 / FISCAL YEAR BUDGET
EXECUTION p.7 / WORKFORCE p.8 / INCOME
STATEMENT p.9 / BALANCE SHEET p.11 /
WORKING CAPITAL AND CASH p.12 /
BUDGET VERSUS ACTUAL REPORT p.13 /
2015 OUTLOOK p.14

MANAGEMENT REPORT

CONTEXT

IRSN reasserted its strategy for 2014-2018, together with its main operational issues, in the performance target agreement signed with its supervisory ministries in 2014.

Against the background of improved safety of existing nuclear facilities in the wake of the Fukushima accident, and the implementation of major programs in the nuclear power sector, such as the Flamanville EPR and the Cigeo project for a deep geological disposal facility for radioactive waste, this agreement sets out new strategic ambitions for IRSN, focusing on three areas for improvement:

- a policy of world-class research and excellence;
- nuclear and radiological risk prevention built on an efficient assessment system and expertise;
- openness and transparency for a risk-aware society.

These three areas serve as the basis for defining operational targets in the Institute's fields of activity, i.e. safety, nuclear security and non-proliferation, human and environmental radiation protection, and emergency and post-accident situations. In particular, IRSN will be called on to play a key role in major national initiatives, such as:

- review of the operating license application for the Flamanville EPR;
- safety assessment of the future geological disposal facility for nuclear waste;
- review of the compliance of nuclear facilities with the new requirements for the protection and control of nuclear materials;
- efforts to improve the performance of the radiation protection system and, in particular, to enhance knowledge of human and environmental exposure to ionizing radiation, including in the field of medical applications;
- development of policies and improvement of national organizations responsible for radiological or nuclear emergency response.

Furthermore, the agreement sets efficiency targets for the coordination and financial management of the Institute in compliance with the government's modernization policies, as well as human resource management targets, with a view to developing the skills and knowledge that IRSN needs to carry out its tasks effectively.

RADIATION PROTECTION SUPPORT FOR PUBLIC AUTHORITIES

Public authorities are given support in a number of areas, ranging from environmental issues, management of emergency situations, and protection of workers, under annual programs drawn up between IRSN and the government departments concerned.

While the long-term objectives have been maintained - in particular individual dose monitoring of occupational exposure, management and control of the inventory of former uranium extraction mines, and monitoring of foodstuffs in France - 2014 was marked by the launch of major projects concerning worker protection and the Institute's active involvement in radon exposure issues.

With the approval of the Directorate-General for Labor, some new functions were incorporated into the SISERI information system, which pools the individual measurement results recorded in monitoring occupational exposure to radiation. The system thus provides a national register. Implemented as part of the French national occupational health plan 2010-2014, the changes made are designed to ensure that the national register includes details of the sector of activity, occupation, and employment status of each worker, which means that observations and recommendations drawn from inventories of occupational exposure to ionizing radiation will be more relevant.

With regard to radon exposure, after very high radon concentrations were measured in a house built on uranium ore tailings in Bessines-sur-Gartempe in central France, IRSN was called in by the public authorities in March 2014 to conduct a radiological survey of the property and assess the health risks for its occupants. The Institute carried out a series of external

and internal exposure measurements to estimate the average exposure of each occupant, and was also part of a group of experts brought together by the French National Cancer Institute (INCa) to recommend health monitoring measures for anyone exposed.

The Institute also did a considerable amount of work on radiation protection in the medical sector in 2014, including finalizing and publishing its report on exposure to ionizing radiation from medical diagnostic procedures in France in 2012.

ASSESSMENTS IN SUPPORT OF NUCLEAR SAFETY AND SECURITY AUTHORITIES

Whether for civil or defense-related nuclear facilities, the technical support that IRSN provided to the safety authorities (ASN and ASND) in 2014 was in three main areas: safety reviews (UP3 plant safety reviews at La Hague, documentation review on completion of the third ten-yearly outage of the 1300 MWe reactors, safety review of facilities on the Marcoule and Valduc sites, etc.), consideration of the aftermath of the Fukushima accident, and review of new facilities planned.

In this respect, it is worth noting that 2014 saw a great deal of work in preparation for the future commissioning of the Flamanville 3 EPR, in terms of its design, operating principles, and startup procedures.

On the waste front, IRSN reviewed the documentation on the closure structures planned for the Cigeo geological waste disposal facility.

Lastly, in the context of the replacement of France's nuclear-powered attack submarines, IRSN began reviewing the intermediate safety analysis report for Suffren, the first new-generation submarine (BARRACUDA program).

With regard to nuclear security and the support given by IRSN to the Ministry of Ecology Senior Defense and Security Official, the priority was to implement the procedures for assessing the licensee documentation required under the new regulations on tightening up the protection of nuclear facilities against malicious acts.

RESEARCH

IRSN's research programs are primarily aimed at reducing the susceptibility of facilities to the various risks that might affect them, understanding the phenomena that might be the potential causes of major accidents, improving the effectiveness of possible responses, developing the knowledge on which protective action is based, and perfecting the operational tools and techniques that the Institute needs to fulfill its tasks (metrology of ionizing radiation, databases, computer and modeling tools, etc.). These programs address operational issues, the objectives of which were re-examined in light of the Fukushima accident.

As part of its safety-related priorities in 2014, IRSN continued its efforts to develop phenomenological knowledge about severe accidents, conducting studies on how human factors, organizational governance and stakeholder networks impact on nuclear safety.

In the field of radiation protection and human health, research programs focus particularly on characterizing the mechanisms of radionuclide transfer in the environment and to humans more precisely, and contributing to furthering knowledge about the effects of low-dose ionizing radiation in chronic exposure situations and the induced pathologies through experimental, clinical and epidemiological approaches.

The year 2014 saw the launch of research projects under the Investment in the Future Program, specifically those included in the call for research proposals regarding nuclear safety and radiation protection. These projects, which will be rolled out over the next five years and will involve many partners, cover topics directly relating to the Fukushima accident: prevention and the effectiveness of barriers against various initiating events, barrier integrity in accident situations, the accident and post-accident phases, and the associated consequences for human health and the environment.

IRSN is firmly focused on multidisciplinary research collaboration both on a national level, for example by supporting the French NEEDS research program (nuclear, energy, environment, waste, society) in partnership with the French National Center for Scientific Research (CNRS), and on a European level by actively participating in developing the European Research Area in the important fields of safety and radiation protection. In 2014, the Institute also pursued its activities within strategic programming structures and networks set up at European research platform level to consider topics such as the safety of Generation II and III nuclear reactors, radiation protection, and radioecology.

The year 2014 marked the beginning of Horizon 2020, the name of the European Union's eighth framework program for research and innovation funding, covering the period from 2014 to 2020. This program reshapes European research governance, in particular by encouraging stakeholders in both public and private research to help define research priorities, then select and program projects, and, where relevant, manage their implementation.

The first Horizon 2020 call for projects ended in September 2014. It focused on topics relating to nuclear systems, radioactive waste management, emergency response, and radiation protection.

The changes in governance were appreciable in the fields of radiation protection and waste, where projects were expected to help integrate European stakeholders. Regarding waste, IRSN coordinated a project called SITEX II (Sustainable network for independent technical expertise for radioactive waste disposal), aimed at furthering joint work by technical safety organizations, authorities, and stakeholders, and contributed to developing a project called JOPRAD, which will pave the way for joint programming involving licensees and SITEX II teams. Concerning radiation protection, CONCERT (European joint program for the integration of radiation protection research) is a European joint program (EJP) for which IRSN was among the organizations designated as program owners by the

French authorities. Over the coming years, CONCERT will be used to launch calls for projects co-funded by the European Commission, in particular based on the experience gained with the European radiation protection research platforms MELODI (chaired by IRSN), ALLIANCE, NERIS, and EURADOS, and on the OPERRA project (coordinated by IRSN). In other areas, IRSN has coordinated or contributed to proposing targeted scientific projects to enhance the safety of facilities, drawing on feedback from the Fukushima accident. Proposed topics include developing emergency response tools to forecast and assess releases due to severe accidents, and finding ways of retaining corium inside the reactor vessel in the event of a core melt accident.

OPENING UP TO SOCIETY AND TRANSPARENCY

During a period of growing demand for transparency in the nuclear sector, IRSN has implemented a proactive policy of openness to society for more than ten years. This is based on transparency, knowledge-sharing, and support for social stakeholders to help them acquire the skills they need to be able to conduct a risk assessment.

Although issues of public health and environment around nuclear facilities are foremost on the agenda concerning openness to society, IRSN also campaigns to raise awareness of the risks associated with radon exposure and former uranium mining sites. On this subject, the joint initiative that began in the region of Franche-Comté in eastern France several years ago seeks to involve local stakeholders in efforts to improve radon prevention measures in private housing. In 2014, the initiative led to the radon problem being incorporated into the local housing improvement policy in the Pays des Vosges-Saônoises area. Regarding former uranium mining sites, a joint monitoring group was set up for the radiological survey of such sites in the Dordogne river drainage basin. In autumn 2014, as an outcome of this initiative, survey results were shared and the most accessible presentation means defined. On the subject of transparency, the policy of publishing IRSN's statements was expanded in 2014 in consultation with ASN, the French Nuclear Safety Authority. In addition to the activities undertaken jointly with ASN, 77 technical notices and 13 reports were published on IRSN's website as part of its technical support to ASN. Lastly, 2014 saw various initiatives targeted at schools, including the ASN/IRSN exhibition on nuclear risks, which was shown in 13 high schools.

FISCAL YEAR BUDGET EXECUTION

In fiscal year 2014:

- funds provided to IRSN by the French Ministry of Ecology, Sustainable Development and Energy (MEDDE) under the 190 program were reduced, in the amount of €2.6 million;
- the Institute's self-generated revenue fell by €4.4 million and operating expenses declined by €16.1 million, primarily

as a result of the delay in work on the CABRI project (-€8.7 million) and the non-completion of some of the dismantling work at the Feurs site as initially projected in the budget (-€1.1 million), excluding requests for carry-overs and expenditures for the dismantling of the PHEBUS facility, financed by a special fund;

- personnel costs fell by €1.1 million, with an average of 1,669 employees (full-time equivalent worked), excluding intern and apprentice contracts, for a second budget amendment of 1,673.6 full-time equivalent worked. The number of full-time equivalent (FTE) employees at the end of December 2014 was 1,664.5;
- the withdrawal from working capital was adjusted and the expenditures associated with the property projects (construction of Building 01 at Fontenay-aux-Roses and Building Z in Le Vésinet) changed;
- the accounting method for the CABRI project was changed following the Cour des Comptes 2007-2012 management report and in application of Instruction 14-0003 of 14 January 2014 issued by the Directorate-General for Public Finances (DGFiP) on fixed assets controlled jointly by two public entities;
- the accounting method used to recognize revenue under the CABRI contract was changed, with recognition now based on percentage of completion, and no longer on a collection basis;
- the accounting method used to present the capital grant write-back was changed to improve understanding of operating income. The portion of the grant recorded in the income statement is now recorded in the income statement as the expenditures that the grant finances.

The balance of expenditures and resources showed a deficit of -€25.3 million in 2014, compared with a projection of -€25.9 million.

In €M	EXECUTION				PROJECTION
	2012	2013	2014	Variation 2014/2013	2014
Total resources	319.5	306.7	365.0	+58.3	283.3
Total expenditures	305.0	299.1	390.3	+91.2	309.2
BALANCE	+14.5	+7.6	-25.3	-32.9	-25.9

Execution in 2014 exceeded the budget because the work on the CABRI experimental reactor is now recorded as a fixed asset, valued at €106.1 million, in application of the DGFiP instruction. Restated for the part of this operation prior to the fiscal year and not originally budgeted, the expenditure execution rate stood at 94.1%, a difference of €18.1 million, which corresponds to delays in carrying out certain investments or specific expenditures, excluding carryovers already earmarked for working capital in the second budget amendment.

In €M	EXECUTION				PROJECTION
	2012	2013	2014	Variation 2014/2013	2014
Result	+38.8	+21.5	-4.5	-26.0	-7.4
Cash provided by operations	+40.9	+36.0	+14.0	-22.1	-0.3
VARIATION IN WORKING CAPITAL	+14.5	+11.8	-25.3	-37.2	-25.9

The fiscal year ended with a loss of €4.5 million, compared with a surplus of €21.5 million in 2013. The difference between the budget projection revised during the second budget amendment (-€7.4 million) and the accounts closed on December 31, 2014 is +€2.9 million.

Cash provided by operations, budgeted at -€0.3 million during the second budget amendment, totaled €14.0 million, or +€14.3 million.

This was supplemented by miscellaneous resources of €0.2 million, the use of special funds for clean-up and dismantling (€5.7 million), and a variation in equity of +€86.3 million, resulting in:

- a change in retained earnings of €56.7 million, composed of +€99.2 million for the CABRI work during the years prior to 2013, accounted for under expenses, and -€42.5 million in CABRI project income written back, overall, to the net position (see appendix, note 17);
- +€29.7 million to the capital grants heading, correcting income from prior fiscal years in connection with the BEP-RAN CABRI project and allocated to the CABRI fixed asset recorded for fiscal year 2014.

That total of €131.5 million was used to acquire tangible assets (including CABRI, for €106.1 million) as well as intangible and financial assets and to repay financial debts. This resulted in a -€25.3 change in working capital, compared with a projected withdrawal of €25.9 million in the second budget amendment. With €25.3 million withdrawn, working capital stood at €36.4 million at year-end 2014.

SPECIAL FUND

IRSN clean-up and dismantling operations involve four specific areas – the PHEBUS and CABRI research reactors, operated by CEA, the facilities classified for environmental protection (ICPE) that belong to it, various surplus equipment that is considered radioactive waste, and the clean-up of the Feurs site, which experienced accidental pollution.

At December 31, 2014, the position of operations in this area stood at €51.0 million, broken down as follows:

- PHEBUS regulated nuclear facility (INB 92) and related clusters (€11.1 million);
- CABRI INB 24 and related waste (sodium) (€30.5 million);
- Valduc 010 regulated nuclear defense facility (INBS) and related waste (€5.4 million);
- ICPE (€4.0 million).

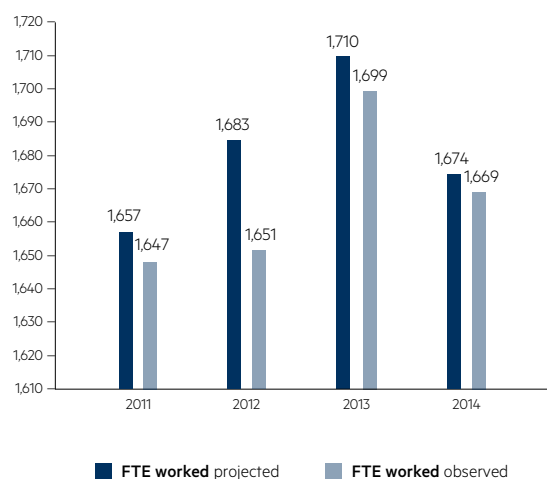
In addition, the clean-up cost for the Feurs site is estimated at €7.7 million.

These estimates are based on a firm contract for INB 92 and a proposal for the Valduc facility. The technical and financial assessments for INB 24 are based on the costs incurred for INB 92.

With regard to the clean-up and dismantling of the regulated nuclear facilities, the Institute's objective is to maintain, at the end of year N, a special fund amount sufficient to reimburse year N operations in N+1, to be processed based on documentation. The use of special funds for 2013 operations due in 2014 totals €5.7 million, including €2.3 million for the Feurs site clean-up and €3.4 million for other dismantling and clean-up. An additional provision for clean-up and dismantling was recorded in fiscal year 2014 to cover Feurs-related labor costs (€1.6 million). As at 31 December 2014, the special fund had received €3.7 million, corresponding to 2014 expenses due in 2015, and had used €5.7 million in connection with the repayment of 2013 expenses due in 2014. The balance in the special fund thus stood at €13.2 million.

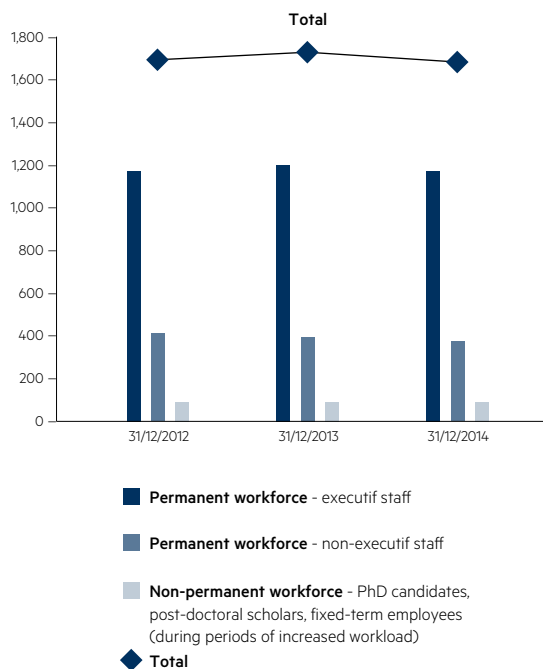
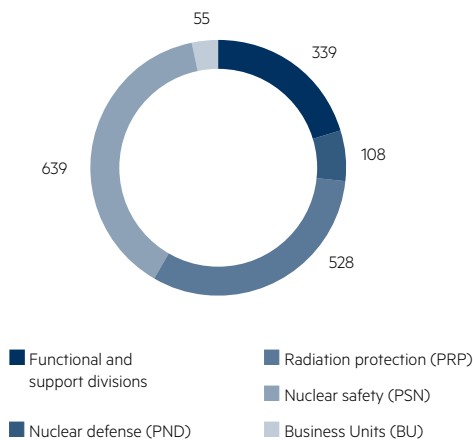
WORKFORCE

The average number of employees (excluding interns and apprenticeship contracts) in 2014 was 1,669.0 full-time equivalent (FTE) worked, compared with 1,673.6 full-time equivalent worked projected in the 2014 second budget amendment, for a difference of -4.6 full-time equivalent worked, which was close to the budget forecast. The permanent average number of employees represents 94.5% of the total.

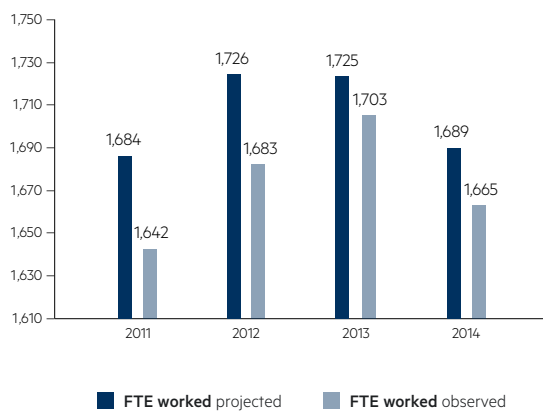


The number of employees connected to the Institute's programmatic development represented 79.7% of the 2014 total average workforce.

BREAKDOWN OF AVERAGE 2014 WORKFORCE (in FTE annual average)



The level of FTEs as at 31 December 2014 was 1,664.5, compared to the initial budget target of 1,689 FTE, for a difference of -24.5 FTE in position at year-end.



At December 31, 2014, IRSN had 1,572.5 permanent FTE (compared with 1,613.8 FTE at December 31, 2013), of which 1,186.8 FTE executive staff and 385.7 FTE non-executive staff.

INCOME STATEMENT

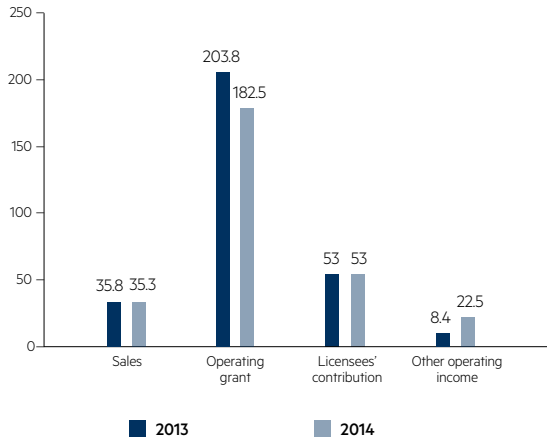
REVENUE

In €M	2014	2013	Difference
Revenu	35.3	35.8	-0.5
Operating grant	182.5	203.8	-21.3
Licenses' contribution	53.0	53.0	+0.0
Other operating revenue	22.5	8.4	+14.1
Operating income	293.3	301.0	-7.7
Investment income	0.1	0.1	-0.0
Extraordinary revenue	0.6	22.3	-21.6
TOTAL REVENUE	294.0	323.3	-29.3

The Institute's income fell overall by €29.3 million between 2013 and 2014.

Operating income stood at €293.3 million, down by €7.7 million, or -2.6% compared with the previous fiscal year.

CHANGE IN OPERATING INCOME (IN €M)

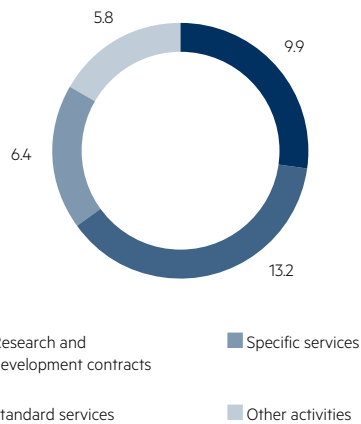


- €2.3 million (+€1.2 million) in other grants from local government authorities;
- the INB licensees' contribution, which was stable at €53.0 million;
- €22.5 in other operating income, an increase of €14.1 million compared with the previous fiscal year. Write-backs on provisions increased from €6.8 million in 2013 to €20.8 million in 2014, primarily due to the reclassification of the portion of the capital grant recorded in the income statement (€11.0 million this year), previously booked as extraordinary income. The cancellation of expenses payable on prior fiscal years represents most of the balance of the other operating income;
- and, last, revenue, down by €0.5 million, or -1.4%, to €35.3 million, from standard services, R&D contracts, specific services and other activities.

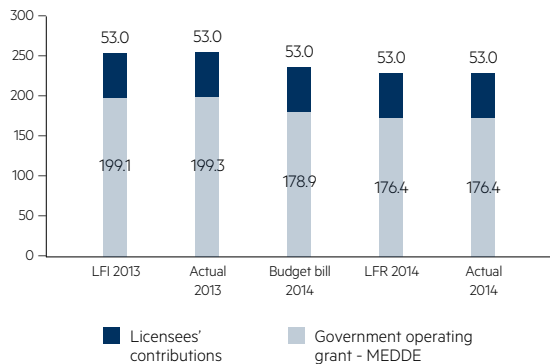
It includes:

- €182.5 million in operating grants, down sharply by €21.3 million between the two fiscal years, composed of:
 - the €176.4 million public service grant received from MEDDE under the 190 program, compared with €199.3 million in 2013. As part of efforts to control public spending, the public service grant allocated to IRSN was reduced by €22.9 million;

SALES DISTRIBUTION 2014 (IN €M)



SCSP 190 PROGRAM AND LICENSEES' CONTRIBUTIONS (IN €M)



Investment income was stable, at €0.1 million, and negligible, despite a structurally positive cash position throughout the year, because of the lack of return on the investments for which the Institute is eligible.

Extraordinary income stood at €0.6 million, or -€21.6 million compared with the prior fiscal year. For reference, in 2013, extraordinary income included a refund of an excess amount levied by the tax authorities for employment tax (€7.5 million, including interest for arrears) and the portion of the capital grant recorded in the income statement for €14.6 million, reclassified in the general account as write-backs on provisions in 2014.

- the €3.8 million grant under the Ministry of Defense agreement in connection with Budget Program 212, representing a slight increase of €0.4 million;

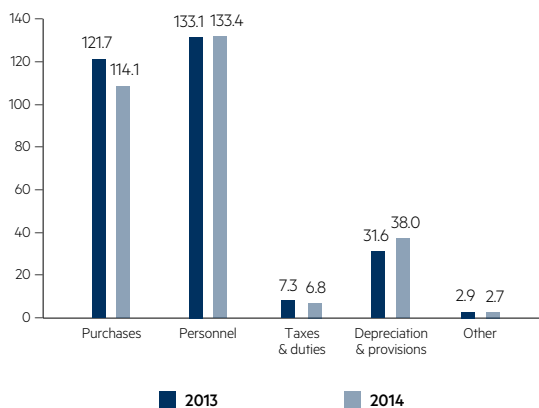
EXPENDITURE

In €M	2014	2013	Difference
Purchases	114.1	121.7	-7.7
Personnel	133.4	133.1	+0.3
Fees & taxes	6.8	7.3	-0.5
Depreciation & provisions	38.0	31.6	+6.4
Other operating expenses	2.7	2.9	-0.1
Operating expenses	295.0	296.6	-1.6
Financial charges	0.6	0.6	+0.0
Extraordinary charges	2.9	4.6	-1.7
TOTAL CHARGES	298.5	301.8	-3.3

The Institute's expenditures fell, overall, by €3.3 million between 2013 and 2014.

Operating expenses totaled €295.0 million, a drop of €1.6 million, or -0.5% compared with the prior fiscal year, and are broken down as follows:

CHANGE IN OPERATING EXPENSES (IN €M)



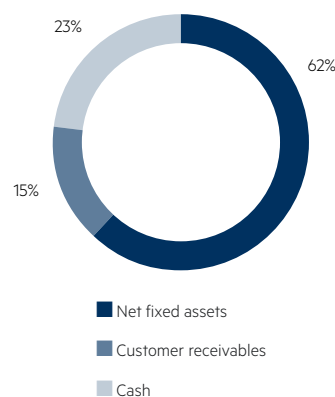
Financial charges were stable at €0.6 million. They consisted primarily of interest paid on loans to finance the registered office and the property project in progress.

Extraordinary expenses (grants made, penalties on contracts and special depreciation allowances for tax purposes) fell by -€1.7 million, of which -€2.8 million in reduced special depreciation allowances for tax purposes, which totaled €1.5 million over the 2014 fiscal year, compared with €4.3 million the prior year.

BALANCE SHEET

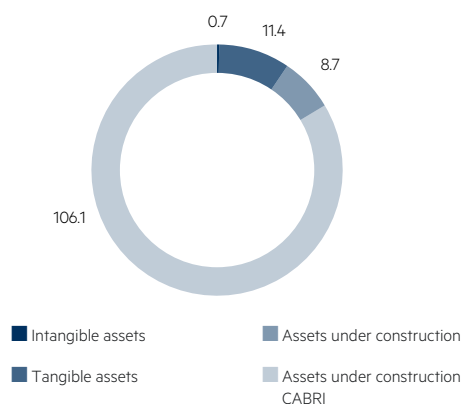
ASSETS

The balance sheet total for the fiscal year ending December 31, 2014 stood at €487.1 million. Gross assets were €697.9 million.



Net fixed assets increased by €97.7 million to €303.2 million, due primarily to the recognition as a fixed asset of the 2014 work in connection with the CABRI project, valued at €106.1 million, of which €99.2 for prior fiscal years and €6.9 million for fiscal year 2014, pursuant to the January 31, 2014 instruction (BOFIP-GCP 14 0003) on the accounting of jointly-controlled tangible and intangible fixed assets.

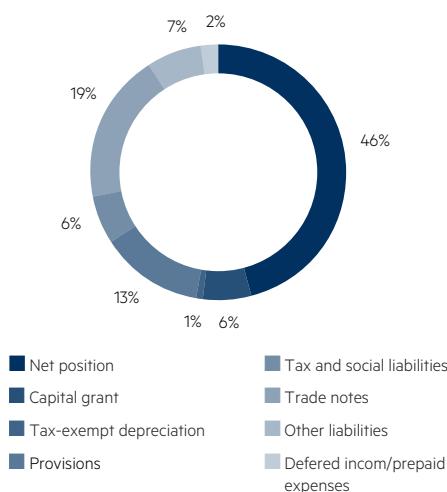
BREAKDOWN OF 2014 INVESTMENTS (IN €M)



Current assets stood at €183.9 million, down €2.6 million compared with last year. Accounts receivable and other receivables rose by €19.6 million, while cash fell by €23.0 million.

LIABILITIES

The assets above balance with liabilities as follows:



With a deficit of €4.5 million and the application of the instruction on the accounting of jointly-controlled tangible and intangible fixed assets, resulting in a +€78.1 million change in retained earnings (see note 17 in the financial appendix), the Institute's net position improved and stood at €223.0 million at December 31, 2014, compared with €177.6 million at the end of the prior fiscal year. The capital grants item also received income from the prior fiscal years, allocated to the CABRI program fixed assets (€29.7 million). The special depreciation allowances for tax purposes were recorded at €5.2 million at December 31, 2014, compared with €4.3 million the prior year, because of a discrepancy between the tax depreciation period normally recorded and the useful lifetime and, thus, the period for depreciation on the replacement value of certain assets. Contingency and loss provisions stood at €65.5 million, down €2.6 million compared with their balance as at December 31, 2013. This reduction is due specifically to the use of the provision covering the clean-up and dismantling of the Feurs and PHEBUS facilities. Long-term capital rose by €73.2 million to €324.8 million as at December 31, 2014.

Debt increased by €21.9 million, from €140.4 million last year to €162.3 million as at 31 December 2014, due primarily to the €16.1 million increase in operating liabilities and the increase in prepaid income (€6.4 million) resulting from the change in method used to record income under the CABRI program, now accounted for by percentage of completion, not on collection.

WORKING CAPITAL AND CASH

Working capital, cash and working capital requirement

In €M	Level 2014	Level 2013	Variation 2014/2013
Working capital	+36.4	+61.7	-25.3
Working capital requirement	-72.7	-70.3	-2.4
Cash	+109.0	+132.0	-23.0

Operating capital stood at €36.4 million as at December 31, 2014 compared with €61.7 million at December 31, 2013 (-€25.3 million). It is intended to cover earmarked expenses scheduled for the following fiscal years, including transactions carried over from the previous year. The earmarked expenses involve primarily IRSN's property projects in Le Vésinet and Fontenay-aux-Roses (€19.6 million). Other projects also contributed to working capital (€13.7 million) because of completion delays (CABRI and projects carried over to the 2015 fiscal year as of the 2014 second budget amendment). In addition, the amount of provisions subject to rapid disbursement stood at €6.5 million.

Thus, given the €12.9 million 2013 correction on the CABRI project (income accounting based on percentage of completion, not on collection), the €36.4 million in working capital as at year-end 2014 was no longer sufficient to finance all the operations covered, in principle, of €39.2 million. In addition, this does not take into account the additional project delays observed at year-end 2014, beyond the carry-overs identified in the second budget amendment (€10.0 million).

On first analysis, the amount of working capital does not seem to include any unencumbered resources. However, it is pledged on future CABRI project income (€12.9 million), which was restated in the financial statements following the change in accounting method to percentage of completion. Actual receipt of these future resources will make it possible to rebalance the level of working capital in the medium term.

Cash at December 31, 2014 stood at €109.0 million, or -€23.0 million compared with the previous fiscal year. The €12.9 million CABRI correction did not impact the cash variation between the last two fiscal years. End-of-year disbursements were structurally very high, particularly because of the annual nature and the arrival, at year-end, of invoices from certain suppliers (€34 million, inclusive of tax, in expenses payable at December 31, 2014, compared with €38.7 million last year). The structurally high level of cash at year-end is thus based on:

- a time lag with respect to the financial commitments listed in working capital for variable periods of time;
- a high level of short-term debt, disbursed during the first months of the following fiscal year. Disbursements in

January and February 2014 thus exceeded €70 million, corresponding to the payment of invoices received at year-end.

Working capital requirements were executed at -€72.7 million at year-end 2014. The -€2.4 million variation in working capital requirements resulted, first, from the -€0.9 million variation in trade working capital requirements (operating liabilities increased slightly faster than current asset receivables) and, second, from the -€1.4 million variation in non-trade working capital. It should be pointed out that the Institute's working capital requirement is structurally negative because of the way the SCSP public service grant is paid and the licensees' contributions are received (respectively, in arrears each quarter and during the second quarter). In addition, the ANR grant to complete the approved projects was paid to IRSN in advance of its actual expenditures in connection with enhanced research in nuclear safety and radiation protection. Last a significant part of the Institute's expenses is derived from charge backs by CEA (including site agreements, CABRI operation and experimentation, and Valduc operation), which produces an additional de facto delay in disbursements.

BUDGET VERSUS ACTUAL REPORT

INCOME STATEMENT

In € thousands	Actual 2014	Budget 2014
REVENUE		
Sales and service contracts	35,295	39,722
Government grants	182,475	182,084
Other operating income	54,767	53,811
Investment income	66	-
Extraordinary revenue	122	-
Internal operations	21,293	19,916
TOTAL REVENUE	294,019	295,532
EXPENDITURE		
Personnel expenses*	138,986	140,068
Other operating expenses	119,764	135,864
Internal operations	39,772	27,000
TOTAL EXPENDITURE	298,521	302,933
FISCAL YEAR RESULT	(4,502)	(7,401)
TOTAL INCOME STATEMENT BALANCE	294,019	295,532

* Personnel expenses correspond to personnel costs and the cost of taxes on remuneration.

The 2014 FY result was negative (€4.5 million loss), compared with a projected loss of -€7.4 million in the second budget amendment (October 2014 Board of Directors meeting), for a difference of +€2.9 million, of which -€1.5 million in reduction in income and -€4.4 million in reduction in expenses.

REVENUE

Revenue for activities that can be invoiced by the Institute shrank by €4.4 million compared with the budget projection. This was due primarily to a fall in revenue recorded by the business unit responsible for international services (-€1.4 million) due to a sluggish market, the lack of return from the CABRI project in 2014 (-€1.0 million) resulting from the change in the accounting method for CABRI revenue based on percentage of completion, and a lower number of seconded staff (-€1.3 million). The public service grant (190 program) was virtually stable compared with the second budget amendment projection.

The contribution from INB licensees was stable compared with the budget projection.

Other operating income stood at €1.0 million, primarily as a result of the cancellation of expenses payable on previous fiscal years.

In addition, non-budgetary revenue items showed a +€1.4 million variation, with a €0.9 million increase in the portion of grants recorded in the income statement and a €3.3 million increase in write-backs of provisions. The latter two transactions were removed when calculating the ability to generate own funds and therefore have no impact on working capital.

EXPENDITURE

The total value of purchases (accounts 60, 61 and 62), budgeted at €131.7 million, was in fact €114.1 million, a difference of -€17.6, composed of:

- -€8.7 million for the CABRI project due to completion delays;
- -€1.1 for dismantling work not completed on the Feurs site;
- -€7.8 million for non-capital expenditures forming an integral part of the projects (including Valduc, PERSEE, and PARISII).

Personnel costs (accounts 64 and accounts 631 and 633), projected at €140.1 million, totaled €139.0 million, or a difference of -€1.1 million composed primarily of a -€0.5 million difference in volume due to delays in hiring for certain positions, and a -€0.4 million difference in the employee profit-sharing plan.

Internal operations, removed when calculating the ability to generate own funds, rose by €12.8 million due to the increase in depreciation connected with the commissioning of the fixed assets in progress and the increase in provisions, primarily including the additional €1.6 million provision for Feurs.

STATEMENT OF CHANGES IN FINANCIAL POSITION

TRANSFER OF RESULT TO CASH PROVIDED BY OPERATIONS		
In € thousands	Actual 2014	Budget 2014
FISCAL YEAR RESULT	(4,502)	(7,401)
+ Loss on sale of assets	291	-
+ Depreciation and provisions	39,481	27,000
+ Non-disbursable extraordinary charge	-	-
- Gains on sale of assets	(3)	-
- Gains from offsetting depreciation	-	-
- Portion of grants recorded in result	-	(10,000)
- Write-backs on depreciation and provisions	(21,289)	(9,916)
- Non-cashable extraordinary revenue	-	-
CASH PROVIDED BY OPERATIONS	13,977	(317)

SUMMARY STATEMENT OF CHANGES IN FINANCIAL POSITION		
In € thousands	Actual 2014	Budget 2014
CASH PROVIDED BY OPERATIONS	13,977	(317)
SOURCES OF CASH		
Equity	86,318	-
Government capital grants	-	-
Dismantling provision	-	-
Disposal of fixed assets	3	-
Other sources (ex cl. internal operations)	5,838	7,733
Increase in long-term debt	71	-
TOTAL RESOURCES	106,207	7,416
USES OF CASH		
Acquisition of tangible and intangible assets	126,849	28,686
Financial assets	3,838	3,820
Reductions in equity	-	-
Long-term debt paid	860	780
TOTAL USES OF CASH	131,546	33,287
CONTRIBUTION TO (+) OR DEDUCTION FROM (-) WORKING CAPITAL	(25,340)	(25,870)

RESOURCES

The ability to generate own funds increased due to improved profits and sharply increased depreciation and provisions. The resources are composed primarily of a +€86.3 variation in equity, resulting from the change in method following the application, to the CABRI project, of the new DGFIP instruction regarding fixed assets controlled jointly by two public entities, and the use of special funds (€5.7 million).

USES OF CASH

At €0.1 million, financial assets (special fund, deposits and guarantees, and loans to staff) and the repayment of financial debts (bank loans) are more or less consistent with projections.

Acquisition of intangible and tangible fixed assets stood at €126.8 million, compared with a projection of €28.7 million, or a difference of €98.2 million due primarily to the recognition as an asset of the work in progress on the CABRI project, valued at €106.1 million. The balance corresponds to the delay in completing certain investments projected initially in the 2014 budget, which will be proposed for carry over to the 2015 fiscal year.

WORKING CAPITAL AND WORKING CAPITAL REQUIREMENT

Overall, the -€0.5 million difference between the withdrawal from working capital projected in the second budget amendment (€25.9 million) and that carried out in 2014 (€25.3 million) resulted primarily from:

- an ongoing volume of operations not completed in 2014 (-€10.8 million), due to the delay in:
 - the property project (€2.3 million),
 - the extension of the Amande building at Cadarache (€1.4 million),
 - the Lutèce project, involving the transfer of the LAME laboratory in Fontenay-aux-Roses (€1.0 million),
 - the CABRI project (€0.8 million),
- a -€2.4 million variation on provisions;
- a change in the accounting method for CABRI revenue (+€12.9).

The second budget amendment projected cash at €106.1. It increased by €2.9 million to €109.0 as at December 31, 2014, resulting in a -€2.4 million variation in working capital requirement compared with the target projected in the budget.

2015 OUTLOOK

GENERAL CONTEXT

For the fiscal year 2015, the reduction in budget resources allocated to IRSN under the 190 program should largely be offset by an increase in the income from the contribution paid by the licensees of regulated nuclear facilities and approved in the Finance Act for 2010 (passed on December 29, 2010). This will ensure that the resources dedicated to safety, nuclear security, and radiation protection are more or less stable. In this context and bearing in mind the significant increase in demand for its expert assessment and research services, IRSN will continue to implement its strategy of optimized resource allocation.

This strategy is based on maintaining efforts to improve efficiency, tightening up measures taken to regulate and handle assessment reports together with all decision-makers involved, and, lastly, spreading some research programs and real estate investments, while still taking into account existing national and international contractual commitments.

IRSN will also continue to prepare for the implementation, as of January 1, 2016, of the Decree of November 7, 2012 on budget management and public accounting, will take any action required based on the conclusions of the first certification report on the Institute's financial statements for the 2014 fiscal year, and will improve its economic and financial coordination with a view to optimizing the allocation and use of the resources at its disposal.

EXPERT ASSISTANCE IN SUPPORT OF NUCLEAR SAFETY AND SECURITY AUTHORITIES

IRSN has for several years been going about its business in support of the French Nuclear Safety Authority (ASN) in a climate of growing demand for expert assessment services, focusing, since 2011, on the action taken in response to the Fukushima accident in the light of the findings of the complementary safety assessments (or stress tests) carried out on all nuclear facilities.

In this context, besides its periodic activities relating to monitoring facilities during operation, IRSN will also examine, in 2015, the safety improvements to the "post-Fukushima hardened safety core" proposed by the licensees in response to the ASN technical requirements in order to enhance the capability of their facilities to withstand extreme hazards.

Furthermore, the priority objectives for facilities in operation, under construction or in the process of being dismantled will be retained, and the requirements under the Nuclear Security and Transparency Act will be complied with, in particular the ten-yearly safety reviews of regulated nuclear facilities (INB), which are key to improving plant safety.

In this respect, 2015 will see the completion of the UP3 plant safety review at La Hague and the start of the safety review of the 900 MWe reactors for their fourth ten-yearly outage. This latter review will focus on aspects relating to aging facilities with a view to extending their operating life beyond 40 years. Aside from efforts to strengthen existing facilities, IRSN will

also commit technical resources to the safety of facilities currently under construction or at the design stage, in particular examining the operating license application for the Flamanville EPR and doing the preparatory work relating to the commissioning of the Jules Horowitz reactor and to the Cigeo geological disposal facility for high- and intermediate-level long-lived waste.

Regarding the technical support provided to the Nuclear Safety Authority for Defense-related facilities and activities (ASND), apart from the regular assessment of military nuclear systems and regulated nuclear defense facilities (INBS) in the context of monitoring the different plant operating phases, the further examination of the safety case for the BARRACUDA-class nuclear-powered attack submarine (which is scheduled to be loaded with nuclear fuel in 2016) and the technical assessment of the RES project (test reactor used to qualify the design and technology of the on-board reactors for nuclear-powered vessels of the French navy) will require extensive use of the Institute's technical capabilities. With regard to nuclear security, the Institute will continue to strive in 2015 to provide expertise to the Safety Authority in the context of the implementation of the so-called PCMNIT decree (Decree 2009-1120 of September 17, 2009 on the protection and control of nuclear materials, nuclear facilities and nuclear material transport) and its implementing orders, with the aim of ensuring the compliance of facilities by 2016. This priority activity will require the Institute to commit additional human resources, without, however, compromising two other priority initiatives, i.e. the facility and transportation inspection program drawn up by the Safety Authority, and the examination of the safety case for commissioning the EPR.

RESEARCH TO ENHANCE NUCLEAR SAFETY

In order to successfully perform its role as a public expert in nuclear and radiological risks, IRSN must ensure that it keeps up to date with the necessary knowledge at all times, through "operating experience feedback" on the operation of nuclear facilities as well as through research. The Institute's research programs focus mainly on ascertaining the factors that affect facilities' susceptibility to risks, understanding the phenomena that might be the potential causes of major accidents, improving the effectiveness of possible responses, developing

the knowledge on which protective action is based, and perfecting the operational tools and techniques that IRSN needs to fulfill its tasks (metrology of ionizing radiation, databases, calculation and modeling tools, etc.).

With regard to the safety of nuclear facilities, as in previous years IRSN's research programs in 2015 will primarily seek to improve experimental knowledge and modeling of physical phenomena involved in case of a severe accident (reactors, spent fuel pools), with the aim of determining how best to assess the effectiveness of possible solutions to mitigate the consequences. These programs will be undertaken within the framework of projects supported by the French National Research Agency (ANR) that lead to partnerships with academic researchers, and also as part of European and international programs. In a climate of budget constraints, IRSN will also seek to participate in the criticality research programs of the US DoE in order to secure continued access to experimental platforms. This will ensure that it maintains the expertise it has acquired in this field over the years through programs conducted in the CEA's criticality laboratory at Valduc in eastern France, which is no longer scheduled for renovation. The Institute will pursue its research on human and organizational factors, and also on aging, specifically by restructuring its programs and teaming up with different partners.

In the field of radiation protection and human health, an irradiation and contamination platform for research on the intake of radioactive substances by inhalation or ingestion will be developed as part of the PARISII project. Similarly, the MIRCOM project will give the French and international scientific community access to an irradiation platform with an ion microbeam, making specific irradiation at cellular level possible. Research will continue on regenerative therapies

for treatment of the side effects of radiation therapy. At European level, IRSN will push forward with the OPERRA project, for which it acts as coordinator, will seek to gain a greater foothold in European platforms responsible for developing strategic research agendas (MELODI, ALLIANCE, NERIS, and EURADOS), and will actively participate in setting up the European joint program (EJP) in radiation protection to coordinate and co-fund research activities in this area.

OPENING UP TO SOCIETY AND TRANSPARENCY

Regarding openness and transparency, and in line with the commitments made in its performance target agreement for 2014-2018, the Institute will focus both on increasing the number of notices published on its website and on pursuing targeted initiatives aimed at a) improving its openness to society at grassroots level (by actively involving local stakeholders in regional radiological surveys, raising local awareness of issues relating to post-accident situations, etc.), and b) supporting efforts to build social stakeholders' skills by encouraging technical dialogue on safety cases (waste, extension of reactor operating life, etc.).

CONTINUING THE PROPERTY PROJECT

IRSN will continue the implementation of its long-term property strategy in 2015 with, in particular, a new building on the Le Vésinet site, which will house its health physics laboratory and radiotoxicological medical analysis laboratory as from 2016, and the start of construction work on the new building 01 on the Fontenay-aux-Roses site, scheduled for completion in 2017. A review is also underway on the next of phase rationalization and modernization of the Institute's real estate portfolio.

FINANCIAL STATEMENTS AND APPENDIX TO THE ANNUAL ACCOUNTS

INCOME STATEMENT p. 18 / BALANCE SHEET
ASSETS p. 19 / BALANCE SHEET LIABILITIES
p. 20 / STATEMENT OF CHANGES IN FINANCIAL
POSITION p. 21 / INCOME STATEMENT SUBTOTALS
p. 22 / APPENDIX TO THE ANNUAL ACCOUNTS
p. 23 / NOTES ON THE INCOME STATEMENT p. 26 /
NOTES ON THE BALANCE SHEET p. 30

INCOME STATEMENT

In € thousands	Notes	Fiscal year 2014	Fiscal year 2013
OPERATING INCOME			
Revenue	Note 2	35,295	35,772
Research work		9,857	9,425
Service provision		19,650	19,914
Other services		5,789	6,433
Operating grant	Note 3	182,475	203,756
Licensees' contribution	Note 3	53,045	53,045
Write-backs on depreciation and provisions		20,776	6,753
Expense transfer		294	554
Other operating income		1,429	1,099
TOTAL I		293,314	300,979
OPERATING EXPENSES			
Outside expenses for the fiscal year	Note 4	114,083	121,740
Taxes, duties, and similar payments	Note 5	6,779	7,272
Personnel expenses	Note 6	133,383	133,107
Depreciation and provisions	Note 7	379,98	31,602
Other operating expenses		2,742	2,883
TOTAL II		294,985	296,604
OPERATING INCOME		(1,671)	4,375
INVESTMENT INCOME			
From controlled entities		-	-
Other investment income		13	13
Foreign exchange gains		15	61
Gains on sales of short-term investments		38	2
Write-backs on contingency and loss provision		2	-
TOTAL III		68	76
FINANCIAL CHARGES			
Interest on loans and debts		601	623
Interest on current accounts and deposits		12	6
Foreign exchange losses		35	14
Financial charges		-	2
TOTAL IV		648	646
FINANCIAL INCOME	Note 8	(580)	(570)
INCOME BEFORE INCOME TAXES		(2,251)	3,806
EXTRAORDINARY REVENUE			
In operations		76	7,646
Book value of assets sold and other capital losses		50	14,613
capital grants recorded in income statement		-	14,566
Write-backs on provisions/special depreciation allowances for tax purposes		511	-
TOTAL V		637	22,259
EXTRAORDINARY CHARGES			
In operations		1,108	320
Book value of assets sold and other capital losses		297	4
Special depreciation allowances for tax purposes		1,483	4,258
TOTAL VI		2,888	4,582
EXTRAORDINARY INCOME	Note 9	(2,251)	17,676
Income tax		-	-
FISCAL YEAR RESULT		(4,502)	21,482

BALANCE SHEET ASSETS

In € thousands	Notes	31/12/2014			31/12/2013
		Gross	Depreciation & provisions	Net	Net
FIXED ASSETS					
Intangible assets	Note 10	31,002	(21,859)	9,143	9,318
Startup costs		2	(2)	-	-
Concessions, patents, licenses and software		27,604	(21,857)	5,747	6,884
Intangible assets in progress		3,396	-	3,396	2,434
Tangible assets	Note 10	468,993	(188,971)	280,022	180,127
Land		30,652	(250)	30,402	26,437
Constructions		84,483	(39,084)	45,398	44,998
Technical facilities, equipment and tools		182,693	(109,717)	72,976	82,981
Other tangible assets		53,339	(39,920)	13,419	12,748
Tangible assets in progress		117,826	-	117,826	12,962
Financial assets	Note 11	14,014	-	14,014	16,014
Special dismantling fund		13,222	-	13,222	15,223
Loans		631	-	631	659
Other financial assets		161	-	161	132
TOTAL I		514,009	(210,830)	303,179	205,458
CURRENT ASSETS					
Inventory and work in progress		-	-	-	-
Prepayments and advances on orders		10,510	-	10,510	188
Accounts receivable	Note 12	63,618	(12)	63,605	54,304
Customer receivables and related accounts	Note 13	41,476	(12)	41,464	42,476
Related receivables	Note 14	22,142	-	22,142	11,828
Other receivables		0	-	0	-
Investment accounts	Note 15	-	-	-	122,002
Cash	Note 15	109,037	-	109,037	10,002
Prepaid expenses		767	-	767	-
TOTAL II		183,931	(12)	183,919	186,496
Foreign currency gains or losses		3	-	3	3
GRAND TOTAL		697,944	(210,843)	487,101	391,957

BALANCE SHEET LIABILITIES

In € thousands	Notes	31/12/2014	31/12/2013
EQUITY			
Allowances	Note 16	83,508	90,265
Reserves		90,783	90,783
Retained earnings	Note 17	53,224	(24,894)
Fiscal year profit or loss		(4,502)	21482
SUBTOTAL: NET POSITION		223,013	177,636
Capital grant	Note 18	31,009	1,539
Regulated provisions		-	-
Special depreciation allowances for tax purposes	Note 19	5,229	4,258
TOTAL I		259,251	183,432
CONTINGENCY AND LOSS PROVISION	Note 20		
Contingency provision		138	358
Provision for taxes due		-	-
Loss provision		65,412	67,770
TOTAL II		65,550	68,128
LIABILITIES	Note 21		
Debts		14,739	15,528
Bank borrowings	Note 22	14,739	15,528
Various debts and liabilities		-	-
Operating liabilities		123,350	108,500
Prepayments and advances on orders		152	255
Trade notes and accounts payable	Note 23	92,124	76,451
Tax and social liabilities	Note 24	31,003	31,720
Other operating liabilities		71	74
Other liabilities		17,468	16,037
Trade notes and accounts payable		12,814	8,478
Other liabilities	Note 25	4,654	7,559
Prepaid expenses		6,741	331
TOTAL III		162,299	140,397
GRAND TOTAL		487,101	391,957

STATEMENT OF CHANGES IN FINANCIAL POSITION

in € thousands	Fiscal year 2014	Fiscal year 2013
SOURCES OF CASH		
Fiscal year net profit or loss	(4,502)	21,482
Increase/decrease in depreciation	39,481	35,861
Increase/decrease in impairments and provisions	(10,320)	(6,753)
Portion of capital grant recorded in income statement	(10,969)	(14,566)
Losses/gains on disposal of assets	287	(0)
Non-disbursable extraordinary charge/Non-cashable extraordinary income	-	4
CASH PROVIDED BY OPERATIONS	13,977	36,027
Disposal of assets	3	0
Other sources	5,838	4,621
Increase in equity	86,318	-
Increase in other capital	-	-
Increase in long-term debt	71	74
TOTAL SOURCES OF CASH (A)	106,207	40,723

in € thousands	Fiscal year 2014	Fiscal year 2013
USES OF CASH		
Acquisition of tangible and intangible assets	126,849	23,303
Acquisition of intangible assets	700	1,181
Acquisition of tangible assets	11,354	12,514
Acquisition of assets in progress	114,794	9,608
Acquisition of financial assets	3,838	3,431
ACQUISITIONS OF FIXED ASSETS	130,687	26,735
Deferred charges	-	-
Long-term debt paid	860	2,142
Reductions in equity	-	-
Decrease in other capital	-	-
TOTAL USES OF CASH (B)	131,546	28,877

in € thousands	Fiscal year 2014	Fiscal year 2013
VARIATION IN WORKING CAPITAL (C=A-B)	(25,340)	11,846
+ Variation in current operating assets	20,318	(1,345)
- Variation in operating liabilities	21,260	19,833
VARIATION IN WORKING CAPITAL REQUIREMENTS FROM OPERATIONS	(942)	(21,178)
+ Variation in other debit balances	0	-
- Variation in other credit balances	14,31	3,905
VARIATION IN WORKING CAPITAL REQUIREMENTS NOT FROM OPERATIONS	(1,431)	(3,905)
VARIATION IN WORKING CAPITAL REQUIREMENTS (D)	(2,373)	(25,082)
VARIATION IN CASH (E=C-D)	(22,967)	36,928
Cash at the start of the period	132,004	
Cash at the end of the period	109,037	
Cash variation	(22,967)	

INCOME STATEMENT SUBTOTALS

in € thousands	Fiscal year 2014	Fiscal year 2013
Revenue	35,295	35,772
- Purchase cost of goods	-	-
+ Operating grants	182,475	203,756
+ Licensees' contribution	53,045	53,045
FISCAL YEAR PRODUCTION	270,816	292,573
- Outside expenses	114,083	121,740
ADDED VALUE	156,733	170,834
- Taxes and duties	6,779	7,272
- Personnel expenses	133,383	133,107
OPERATING INCOME BEFORE INTEREST	16,571	30,455
+ Write-backs, expense transfer	21,070	7,307
+ Other income	1,429	1,099
- Depreciation and provisions	37,998	31,602
- Other expenses	2,742	2,883
OPERATING INCOME	(1,671)	4,375
+ Investment income	68	76
- Financial charges	648	646
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(2,251)	3,806
+ Extraordinary revenue	637	22,259
- Extraordinary charges	2,888	4,582
EXTRAORDINARY INCOME	(2,251)	17,676
- Income tax	-	-
FISCAL YEAR RESULT	(4,502)	21,482

APPENDIX TO THE ANNUAL ACCOUNTS

NOTE 1 - ACCOUNTING PRINCIPLES AND VALUATION METHODS

IRSN's financial statements for fiscal year 2014 were prepared in accordance with the following standards, principles and methods:

- regulation No. 2014-03 of June 5, 2014 of France's national accounting standards body (Autorité des Normes Comptables) on the general accounting plan, approved by the order of September 8, 2014 and published in the French Official Journal on October 15, 2014;
- instruction No 02-060-M95 of July 18, 2002 on the budgetary, financial and accounting regulation of national public establishments of an industrial and commercial nature;
- instruction of December 18, 2012 (BOFIP-GCP No. 13 005 of January 31, 2013) on the accounting of the external financing of assets.

1.1 - COMPARABILITY OF THE ACCOUNTS

In application of DGFIP Instruction No. 14-003 of January 31, 2014 on fixed assets controlled jointly by two public entities, expenditures for the CABRI facility (BEP-RAN) were recognized as an asset on the IRSN balance sheet at December 31, 2014, in the amount of its share of control of the asset, valued at €106.1 million. Given that the renovation of the CABRI reactor (BEP-RAN) is not yet complete, the asset is recognized as an asset in progress at the 2014 closing. The renovations to the reactor were recorded in the expense accounts as and when they were carried out. Because the net profit (loss) was reduced, the change in accounting method required an adjustment to the net position equal to the amount of work performed prior to 2014 (€99.2 million).

Simultaneously, the total revenue already received and allocated to the CABRI fixed asset (BEP-RAN), that is, €29.7 million, constitutes external financing recognized in capital grants. This change of method requires a €29.7 million adjustment in the "capital grants" heading.

In addition, the CABRI revenues are now accounted for using the percentage of completion method, not as and when they

are received. Percentage of completion involves recognizing revenues of €56.7 million, compared with a total of €69.9 million in revenues recognized up to 2014. The residual difference corresponds to an excess levy of €12.9 million. It was thus written back on the net position as at December 31, 2014. Of the €12.9 million, €6.3 million corresponded to accrued income incorrectly recorded as at December 31, 2013. The balance of €12.9 million - €6.3 million = €6.6 million constitutes a prepaid expense as at December 31, 2014.

A change in the presentation of the write-back of the capital grant concerns the portion of the grant recorded in the income statement, which is now accounted for at the same level of that statement as the expenses that the grant finances.

1.2 - VALUATION PRINCIPLES AND METHODS (OPTIONS, DEROGATIONS, EXCEPTIONS)

1.2.1 - Tangible and intangible assets

Valuation of the entry cost

Tangible and intangible assets are valued at the historic purchase or production cost excluding financial charges and administration costs. Intangible assets include patents, licenses and software purchased, as well as software created or developed. Nuclear facilities controlled jointly with the CEA (the CABRI experimental reactor) are now included in the Institute's fixed assets in proportion to the control of the asset, in application of the DGFIP Instruction No. 14-0003 of January 31, 2014 (see *section 1.1*).

Some equipment (nuclear facilities operated by the CEA and classified environmental protection facilities (ICPEs)) used by IRSN are entered as tangible assets under "Dismantling assets" as a double entry counterpart of the provision for the estimated total cost of end-of-cycle operations, once the installation comes into active service. This asset forms an integral part of the cost price of the corresponding facilities and is depreciated in accordance with the depreciation schedules drawn up for each facility. These assets are valued, symmetrically with the corresponding provisions, based on technical information that is revised regularly.

The assets provided by the Government under usage agreements have been valued in the accounts on the basis of valuation at fair value determined in 2013 by France Domaine. External financing of assets is managed in application of the Instruction of December 18, 2012 (BOFIP-GCP 13 005 of January 31, 2013).

Research and development costs, regardless of outcome, are treated as expenditure for the fiscal year.

Depreciation

Intangible assets are depreciated over their economic useful life or according to their probable conditions of use, on a straight-line basis and at the rates applied to these categories of asset, not exceeding a period of five years.

Tangible assets are depreciated in accordance with depreciation schedules drawn up on the basis of the economic useful lifetime or according to the probable conditions of use of the asset, on a straight-line basis and at the rates usually applied to these asset categories. Depreciation in the "Land" row corresponds to the depreciation of the development of these investments.

The main depreciation times used for new equipment are as follows:

- infrastructure 10 years;
- heavy buildings 20 to 30 years;
- light buildings 10 to 20 years;
- general installations 16 years;
- fixtures 5 to 10 years;
- equipment 5 to 7 years;
- tools 3 to 5 years;
- furniture, small equipment items and computer equipment 2 to 5 years.

For second-hand assets, the depreciation times are reduced by half.

The special depreciation allowance for tax purposes is used as necessary and corresponds to the difference between depreciation on replacement value and legally accepted depreciation.

IRSN uses the component-based approach for investments where this is necessary.

Impairment

Intangible and tangible assets are subject to impairment where events or circumstances make their value in use less than the net accounting value over the long term.

1.2.2 - Financial assets

Financial assets are valued at their historic cost.

IRSN has set up a special fund to cover future dismantling costs. This fund appears as a financial asset although the cash

composing it is held in the Institute's current account at the Treasury Department because the fund's operating procedures restrict these funds from being used for another purpose.

1.2.3 - Inventory and work in progress

Given the insignificance of this item, IRSN does not estimate the value of inventories of materials or supplies of consumables. These purchases are treated entirely as expenditure for the fiscal year.

Work in progress and finished products for research contracts or service orders are treated as accrued income as and when the services are provided.

1.2.4 - Receivables

Receivables are depreciated on a case-by-case basis depending on the risk of non-recovery.

1.2.5 - Investment securities

IRSN places its surplus cash only in fixed term deposit accounts or interest-bearing accounts and does not hold any transferable securities.

1.2.6 - Contingency and loss provision

A provision is set up in cases where there is an obligation towards a third party on the account-closing date. This obligation may be legal, contractual or implicit and it must be subject to a probable outflow of resources to the third party which IRSN can estimate with an adequate degree of reliability.

No provision is made for contingent liabilities that correspond to an obligation that is neither certain nor likely on the account-closing date. Information is provided in the Appendix if they are significant.

The Institute acts as its own insurer with respect to compensation for employees who have lost their job. A provision has thus been established based on the residual compensation period for beneficiaries registered as at December 31 of that year.

No provision is made for IRSN's commitments towards its staff as regards severance pay on retirement; instead these are listed as off-balance sheet commitments.

Based on the delay noted at the closing in settling our customers' receivables, a provision has been established in the amount of:

- 25% of the amount of the receivable when the delay is less than six months;
- 50% for a delay between six and 12 months;
- 75% for a delay between 12 and 18 months, and;
- 100% for a delay in excess of 18 months.

The provision associated with the clean-up and dismantling of facilities used by IRSN corresponds to the total cost of the operation where IRSN is the facility operator (ICPEs) or to the

portion attributable to it due to its participation in a program in which the CEA is the nuclear operator (basic nuclear facilities). In view of the immediacy of the degradation, these provisions are made as soon as the facility commences active operation (CRC Regulation No 2004-06 and CNC Notice No 2005-H). Provisions are offset in the assets side of the balance sheet as "Dismantling assets."

The assessment of the cost to clean up and dismantle the facilities is based on methodologies that can provide the best estimate, at any moment, of the operations' costs and time frame. These estimates are based on agreements signed with the service providers or on internal assessments that use an inventory of equipment and its projected radiological situation and on successive studies that make it possible to assess clean-up and dismantling costs with an increasingly smaller margin of uncertainty.

These estimates incorporate the following main assumptions:

- an inventory of the costs of bringing the facility to decommissioning level, generally and without specific constraints, based on on-site clean-up of civil engineering infrastructure, with all nuclear waste areas reclassified as conventional waste areas. The final state of the facilities to be dismantled (buildings and soils) is a baseline assumption for developing the dismantling scenario and estimating the cost;
- the assessment of the expenses based on projected costs, which take into account subcontracting, staff costs, radiation

protection costs, consumables, equipment, processing of associated waste, transportation and final disposal at Andra. The assessment also takes into account a portion of the technical support costs of the entities responsible for the dismantling operations;

- some waste from older experiments could not be processed as it was produced because conditioning facilities were not available at that time. The waste will be retrieved and conditioned in accordance with methods and technologies approved by the French safety authorities.

The assessments used for end-of-cycle provisions are, at the closing date of the accounts for the fiscal year, the best assessment of the resources needed to carry out its current obligations to dismantle and clean up its facilities.

1.2.7 - Debts

IRSN's commitments towards its staff for expired paid leave not taken, paid leave accrued but not yet taken within the period, and leave entitlement recorded by the staff in an accumulated leave time savings account are recorded as debts at their gross value plus any social security contributions and tax charges payable by the employer. Because of the random nature of their expiry times for utilization, time accruing under the individual training right to training and retirement commitments is, however, listed as an off-balance sheet commitment.

NOTES ON THE INCOME STATEMENT

NOTE 2 – SALES

Sales correspond to the research and services invoiced by IRSN to third parties within the context of its programs or service provision. Sales are booked on completion of the work in most cases, but for some multiannual contracts they are booked in advance.

In € thousands	Fiscal year 2014	Fiscal year 2013
Research and development contracts	9,857	9,425
Standard services	13,248	12,742
Special services	6,402	7,172
Other activities	5,789	6,433
TOTAL	35,295	35,772

Sales fall into four main categories:

- catalogue services, which increased from €12.7 million in 2013 to €13.2 million in 2014. They involve primarily the activities of the IRSN Dosimetry Laboratory (€10.6 million, stable compared with the previous year), revenue associated with radio-toxicology analyses for €0.7 million (–€0.1 million), and training services for €1.0 million (+€0.3);
- research co-funding contracts totaled €9.9 million, an increase of €0.5 compared with the previous fiscal year. EDF (€3.8 million), the European Union (€1.4 million), the CEA (€1.2 million) and Areva (€1.0 million) are still the principal partners;
- specific services include various non-co-funded services and studies, at €6.4 million (–€0.8), including €1.2 million carried out for Riskaudit, €0.8 million for the CEA, €1.4 million for EDF and €0.3 million for Areva;
- the other activities generated sales of €5.8 million compared with €6.4 million in 2013, and primarily involve invoicing for seconded personnel (€5.7 million).

NOTE 3 – BUDGETARY OPERATING REVENUE

This item includes the public service grants received from the Government and income from the contribution (see article 96 of the 2010 Revised Budget Act) from licensees of regulated nuclear facilities for the fiscal year and allocated to the financing of operating expenses for the fiscal year.

In € thousands	Notes	Fiscal year 2014	Fiscal year 2013
Government operating grants			
Ministry of ecology	(a)	176,380	199,257
Ministry of defense	(b)	3,819	3,440
Grants from public authorities		2,276	1,059
Other operating grants		–	–
Licensees' contribution	(c)	53,045	53,045
TOTAL		235,520	256,801

- (a) The grant paid under the 190 program by the Ministry of Ecology was reduced by €22.9 million between 2012 and 2013. This change resulted from:
- the 2013 execution gap, for –€0.2 million (grant payment increased slightly at year-end);
 - the change in the amount of appropriations approved for IRSN in the 2013 Initial Finance Act (€199.1 million) and the 2014 Revised Budget Act (€176.4 million) of –€22.7 million in net value of the contingency reserves. This sharp decline was part of an overall effort to reduce public spending.
- (b) This grant is intended for financing expertise in nuclear propulsion for the Ministry of Defense.
- (c) The contribution was established as from fiscal year 2011 and is paid by the licensees of regulated nuclear facilities, a list of which is drawn up by the Nuclear Safety Authority. For the fiscal year 2014, the main contributors were again EDF, CEA and Areva.

NOTE 4 – EXPENSES FOR THE FISCAL YEAR

Expenses for the fiscal year are broken down as follows:

In € thousands	Fiscal year 2014	Fiscal year 2013
SUBCONTRACTING PURCHASES	45,016	53,427
Research purchases (CEA)	18,390	27,560
Research purchases	15,018	16,532
Service purchases	11,608	9,335
PURCHASES OF MATERIALS AND SUPPLIES NOT STOCKED	10,395	9,615
Purchases of equipment and works	1,747	1,041
Other purchases of materials and supplies not stocked	8,649	8,574
OUTSIDE SERVICES	58,672	58,697
External subcontracting	24,783	23,741
Rental and hire costs	1,916	1,740
Maintenance and repairs	13,789	14,089
Insurance	627	369
Documentation	1,732	2,095
Temporary workers	3,313	3,075
Fees	408	707
Advertising and publications	161	232
Transport	512	420
Travel and entertainment expenses	6,975	7,645
Postage and telecommunication costs	2,602	2,589
Bank charges	11	29
Other	1,845	1,966
TOTAL	114,083	121,740

The purchase of goods and services declined by €7.7 million between 2013 and 2014 to €114.1 million.

- Core activity subcontracting fell to €45.0 million, or by €8.4 million.
- General subcontracting increased by €1.0 million to €24.8 million.
- Purchases of equipment and supplies not in inventory increased slightly by €0.3 million.
- Travel and assignment expenses fell by €0.7 million.
- Other external expenses (€27.1 million) fell by €0.2 million.

NOTE 5 – TAXES, DUTIES, AND SIMILAR PAYMENTS

Taxes, duties and similar payments are broken down as follows:

In € thousands	Fiscal year 2014	Fiscal year 2013
ON REMUNERATIONS	5,603	5,668
Employment tax	1,728	1,776
Apprenticeship tax	676	799
Travel payments	2,057	1,983
Other taxes and duties on remuneration	1,142	1,110
OTHER TAXES, DUTIES, AND SIMILAR PAYMENTS	1,177	1,604
Real estate taxes	505	492
Office taxes	98	125
Company vehicle taxes	151	178
Non-recoverable taxes over a combined perimeter	470	386
Other	(47)	422
TOTAL	6,779	7,272

NOTE 6 – PERSONNEL EXPENSES

Personnel expenses can be analyzed as follows:

In € thousands	Fiscal year 2014	Fiscal year 2013
Wages and salaries	90,581	90,533
Social security contributions	42,802	42,574
TOTAL	133,383	133,107

The entitlements accrued by employees in respect of paid leave and accumulated leave time saving accounts (CET) have been recorded in full under expenses payable at their gross value plus estimated costs.

NOTE 7 – DEPRECIATION AND PROVISIONS AND WRITE-BACKS OF DEPRECIATION AND PROVISIONS

Depreciation and provisions and write-backs on depreciation and provisions can be broken down as follows:

In € thousands	DEPRECIATION & PROVISIONS		WRITE-BACKS	
	Fiscal year 2014	Fiscal year 2013	Fiscal year 2014	Fiscal year 2013
ON FIXED ASSETS				
Depreciation of intangible assets	2,646	1,832	-	-
Depreciation of tangible assets	29,001	26,512	-	-
ON CURRENT ASSETS				
Impairments of customer receivables	10	69	82	33
PROVISIONS				
Contingency and loss provision	6,340	3,191	9,725	6,720
PORTION OF CAPITAL GRANT RECORDED IN INCOME STATEMENT	-	-	10,969	-
TOTAL	37,998	31,604	20,776	6,753

The portion of the capital grant recorded in the income statement, previously booked as extraordinary income, was reclassified in write-backs of depreciation and provisions for fiscal year 2014 so that operating income would provide a more accurate reflection of the Institute's economic vision. This item corresponds to the deduction made from "capital grants received" in line with the lifetime or length of use of the capital assets financed.

NOTE 8 – FINANCIAL INCOME

The financial income presented below was stable, at -€0.6 million in 2014.

In € thousands	Notes	Fiscal year 2014	Fiscal year 2013
INVESTMENT INCOME		68	76
Income from sales of investment securities		38	2
Income from other receivables		13	13
Foreign exchange gains		15	61
Write-backs on contingency and loss provision		2	-
Other investment income		-	-
FINANCIAL CHARGES		648	646
Interest on borrowing and debts	(a)	601	623
Interest on current accounts and deposits		12	6
Foreign exchange losses		35	14
Financial expenses		-	2
FINANCIAL INCOME		(580)	(570)

(a) This item includes interest paid on loans contracted.

NOTE 9 – EXTRAORDINARY INCOME

The extraordinary income for 2014 was -€2.3 million and can be broken down as follows:

In € thousands	Notes	Fiscal year 2014	Fiscal year 2013
EXTRAORDINARY REVENUE		637	22,259
Extraordinary revenue from management operations	(a)	76	7,646
Portion of capital grant recorded in income statement	(b)	-	14,566
Gains on sales of assets		3	0
Capital grants strictly for the period		47	46
Write-backs on special depreciation allowances for tax purposes	(c)	511	-
EXTRAORDINARY CHARGES		2,888	4,582
Extraordinary charges on management operations		1,108	320
Net accounting value of assets disposed of		291	0
Other extraordinary charges		6	4
Special depreciation allowances for tax purposes	(d)	1,483	4,258
EXTRAORDINARY INCOME		(2,251)	17,676

(a) The variation in extraordinary income on management operations is due mainly to the 2013 reimbursement of an excess amount levied for employment tax.

(b) The portion of the capital grant recorded in the income statement was reclassified as write-backs of depreciation and provisions for fiscal year 2014 (change of method).

(c) Following the 2014 extension of the period of depreciation on replacement value of certain assets, IRSN recorded write-backs on special depreciation allowances of €0.5 million.

(d) Following the 2014 reduction of the period of depreciation on replacement value of certain assets, IRSN recorded special depreciation allowances for tax purposes of €15 million.

NOTES ON THE BALANCE SHEET

ASSETS

NOTE 10 – INTANGIBLE AND TANGIBLE ASSETS

The intangible and tangible asset flows, together with the corresponding depreciations and provisions, are as follows:

En k€	31/12/2013	Increases	Decreases	31/12/2014
INTANGIBLE ASSETS				
Gross value	28,531	3,775	1,304	31,002
Startup costs	2	-	-	2
Concessions, patents, licenses and software	26,095	1,749	240	27,604
Intangible assets in progress	2,434	2,026	1,064	3,396
Depreciation	19,213	2,646	-	21,859
Startup costs	2	-	-	2
Concessions, patents, licenses and software	19,211	2,646	-	21,857
Intangible assets in progress	-	-	-	-
SUBTOTAL	9,318	1,129	1,304	9,143
TANGIBLE ASSETS				
Gross value	367,718	136,979	35,705	468,993
Land	26,645	4,007	-	30,652
Constructions	79,803	5,031	352	84,483
Technical facilities, equipment and tools	199,018	10,786	27,111	182,693
Other tangible assets	49,289	4,372	322	53,339
Tangible assets in progress	12,962	112,783	7,920	117,826
Depreciation	187,591	29,083	27,703	188,971
Land	208	42	-	250
Constructions	34,805	4,609	330	39,084
Technical facilities, equipment and tools	116,037	20,744	27,064	109,717
Other tangible assets	36,541	3,689	310	39,920
Tangible assets in progress	-	-	-	-
SUBTOTAL	180,127	107,896	8,002	280,022
TOTAL	189,445			289,165

Fixed assets as at December 31, 2014 include:

- the €106.1 million valuation of the CABRI fixed asset;
- fixed assets recorded as a balancing entry to offset provisions, that are not entered in the income statement, set up for the dismantling of facilities used by the Institute, for a gross amount of €52.2 million, depreciated for €25.6 million. The balance of €26.6 million is lower than the balance of the provision set up in exactly the same way, of €51.0 million, corresponding to the level of dismantling actually performed.

NOTE 11 – FINANCIAL ASSETS

The financial assets of €19.7 million include deposits and guarantees paid, loans to staff and the special fund earmarked for the clean-up and dismantling of the facilities used by the Institute, amounting to €13.2 million, with an injection of €3.7 million and €5.7 million used during the 2014 fiscal year, pursuant to the decision of the Board of Directors.

In € thousands	31/12/2014	31/12/2013
Special dismantling fund	13,222	15,223
Loans	631	659
Other financial assets	161	132
TOTAL	14,014	16,014

NOTE 12 – MATURITY OF RECEIVABLES

At the end of the fiscal year the situation is as follows:

In € thousands	31/12/2014 Gross	Maturing in less than 1 year	Maturing in more than 1 year
FIXED ASSET RECEIVABLES			
Loans	631	5	626
Other financial assets	161	-	161
CURRENT ASSET RECEIVABLES			
Doubtful and disputed trade receivables	15	15	-
Other customer receivables	41,461	41,461	-
Other accounts receivable	22,142	22,142	-
Other receivables	0	0	-
TOTAL	64,410	63,623	787

NOTE 13 – CUSTOMER RECEIVABLES

At the end of the fiscal year, customer receivables showed a net balance of €41.5 million, compared with €42.5 the previous year:

In € thousands	Notes	31/12/2014	31/12/2013
GROSS VALUE		41,476	42,560
Customers - sales of goods or services	(a)	27,824	22,616
Customers - holdbacks		31	31
Doubtful and disputed trade receivables		15	100
Customers - invoices to be prepared		13,606	19,813
IMPAIRMENT PROVISION		(12)	(84)
Provision for impairment of customer accounts		(12)	(84)
TOTAL		41,464	42,476

(a) A provision for additional contingencies in the amount of €929 thousand was established based on the payment delay recorded at closing (see note 20).

NOTE 14 – OTHER RECEIVABLES

The other receivables can be broken down as follows:

In € thousands	31/12/2014	31/12/2013
Prepayments and advances to personnel	175	115
Accrued income	10	(5)
VAT	20,997	11,032
Government - accrued income	285	285
Other debtors	675	401
Other receivables	0	-
TOTAL	22,142	11,828

NOTE 15 – CASH

This item shows the position of all bank deposits and investments at the closing of the year:

In € thousands	31/12/2014	31/12/2013
INVESTMENT SECURITIES	-	122,002
Term accounts	-	-
Investment accounts	-	122,002
CASH	109,037	10,002
TOTAL	109,037	132,004

LIABILITIES

NOTE 16 – ALLOWANCES

Allowances recorded a balance of €83.5 million as at December 31, 2014, which can be broken down as follows:

In € thousands	Notes	31/12/2014	31/12/2013
ALLOWANCES			
Funds not associated with specific assets - Government	(a)	7,425	7,860
Allowance fund		-	-
Original value of government finance - depreciated asset		-	-
Asset funds made available – Government	(b)	30,923	26,923
Original value of asset-related funds – Government	(c)	112,074	111,944
SUBTOTAL		150,422	146,728
ADDITIONAL ALLOWANCES			
Write-back of asset funds made available – Government	(d)	(831)	(416)
Write-back of other asset funds	(d)	(66,082)	(56,047)
SUBTOTAL		(66,914)	(56,462)
TOTAL		83,508	90,265

(a) This item relates to the extraordinary allocation paid by the government in 2012, associated with the sale of land at the Le Vésinet site to finance the new Z building at that site.

(b) The assets allocated by the Government under the usage agreements were valued in the accounts as at December 31, 2014 (France Domaine valuation). These include land at Fontenay-aux-Roses, Orsay and Le Vésinet, with the latter corresponding to the difference between the last two fiscal years (€4.0 million).

(c) This item combines the capital grants that IRSN received until 2011 (gross value).

(d) The additional allowances correspond to the write-backs of financing of the assets financed by the government.

NOTE 17 – RETAINED EARNINGS

In € thousands	31/12/2014	31/12/2013
Retained earnings carried forward	165,756	38,798
Retained losses carried forward	(112,532)	(63,692)
TOTAL	53,224	(24,894)

The variation in the “retained earnings” heading corresponds to the allocation of the €21.5 million profit from the previous year and to the change in method associated with the accounting treatment of the CABRI transaction as a fixed asset, involving an adjustment to IRSN’s net position, of which:

- +€99.2 million corresponding to the amounts of the work performed prior to 2014 and recorded incorrectly under charges in previous fiscal years,
- -€12.9 million in income recorded incorrectly in previous fiscal years; that income is now entered based on percentage of completion; and,
- -€29.7 million due to the recording, in external financing, of the total revenue already received and allocated to the CABRI BEP-RAN fixed asset (see note 18).

NOTE 18 – CAPITAL GRANTS

This is essentially an issue of how the external financing of assets is treated in the accounts. Grants received from sources other than the Government and allocated to the financing of assets are recorded and written back as the corresponding assets are depreciated. During the 2013 fiscal year, external financing allocated to assets and received from the Government were transferred to allowances in application of the instruction of December 18, 2012 (BOFIP-GCP 13 005 of January 31, 2013).

In € thousands	Notes	31/12/2014	31/12/2013
Funds not associated with assets – other third parties	(b)	29,683	-
Government capital grants		-	-
Other capital grants		-	-
Original value of asset-related funds – local governments and national public bodies	(a)	35,295	35,295
Write-back of asset-related funds – local governments and national public bodies	(a)	(33,968)	(33,756)
Capital grants recorded in income statement		-	-
TOTAL		31,009	1,539

(a) These items are connected to the capital grants from the transfers from the CEA and the IPSN, as well as related write-backs on financing.

(b) External financing of €29.7 million recorded at December 31, 2014 is allocated to the CABRI BEP-RAN fixed asset in connection with the application of the new instruction on the accounting treatment of fixed assets controlled jointly by two public entities.

NOTE 19 – SPECIAL DEPRECIATION ALLOWANCES FOR TAX PURPOSES

In 2013, the Institute reduced the depreciation term of certain assets, which was reflected by the entry in the accounts of special depreciation allowances for tax purposes, with an impact of €5.2 million for the 2014 fiscal year.

NOTE 20 – CONTINGENCY AND LOSS PROVISION

Contingency and loss provision varied as follows during the year:

In € thousands	Notes	31/12/2013		Write-backs for the fiscal year		31/12/2014
			Allocations in the fiscal year	(provision used)	(provision not used)	
PROVISION FOR DISPUTES		356	–	218	–	138
Employment disputes		138	–	–	–	138
Other disputes		218	–	218	–	–
PROVISION FOR FOREIGN EXCHANGE LOSSES		2	–	2	–	–
LOSS PROVISION	(a)	67,770	7,149	8,065	1,443	65,412
Dismantling	(b)	53,907	809	3,700	–	51,016
Clean-up		10,665	1,575	3,198	–	9,042
Customer risks		467	929	–	467	929
Pierrelatte individual outplacement		9	–	9	–	–
Contribution – Strasbourg INB		–	319	–	–	319
Riskaudit - share /losses		–	250	–	–	250
ENSTI - share /losses		–	139	–	–	139
AGEFIPH		589	300	–	–	889
Employee profit-sharing		2,134	2,145	1,158	976	2,145
Miscellaneous human resources (of which unemployment compensation provision)		–	683	–	–	683
TOTAL		68,128	7,149	8,284	1,443	65,550

(a) The allocation for the fiscal year specifically includes €809,000 of additional allowance in connection with the dismantling assets, an additional €1,565,000 for the Feurs site, €2,145,000 for staff profit sharing, €929,000 to cover the risks on customer receivables, and €648,000 corresponding to recognition of a provision for projected unemployment compensation paid by IRSN to former employees concerned as at December 31, 2014, as IRSN provides unemployment coverage for its employee.

The write-backs consist in particular of:

- utilization of the provision for dismantling the PHEBUS facility in the amount of €3,405,000 (2014 expenditures);
- use of the provision to clean up the Feurs site (€2,798,000); and,
- the operation associated with writing back of a reserve for profit sharing of which only a part was utilized (€1,158,000).

(b) The provision for dismantling equipment and facilities, which also covers the disposal of contaminated waste, stood at €510 million at December 31, -end 2014 and is made up of:

- the PHEBUS reactor (INB 92) (€8.6 million);
- the FPT assemblies associated with the PHEBUS facility (€2.5 million);
- the CABRI facility (INB 24) and related waste (€30.5 million);
- the Valduc regulated nuclear defense facility (INBS 010) and related waste (€5.4 million); and,
- ICPE (€4.0 million).

NOTE 21 – DEBT MATURITIES

At the end of the fiscal year the situation is as follows:

In € thousands	31/12/2014			
	Gross	Maturing < 1 year	Maturing 1 - 5 years	Maturing > 5 years
Bank borrowings	14,739	479	2,121	12,139
Prepayments and advances received	152	152	–	–
Trade notes and accounts payable	92,124	92,124	–	–
Tax and social liabilities	31,003	31,003	–	–
Other operating liabilities	71	71	–	–
Trade notes	12,814	12,814	–	–
Other liabilities	4,654	4,654	–	–
TOTAL	155,558	141,298	2,121	12,139

NOTE 22 – BANK BORROWINGS

As at December 31, 2014, the borrowing situation is as follows:

In € thousands	31/12/2013	Repayment	31/12/2014
Caisse d'Épargne Loan 1	0	(0)	-
Caisse d'Épargne Loan 2	325	(325)	-
BNP-Paribas Loan	-	-	-
Crédit Agricole loan	15,129	(460)	14,669
Accrued interest not yet due	74	-	71
TOTAL	15,528		14,739

NOTE 23 – TRADE PAYABLES

Trade payables at the end of the fiscal year can be broken down as follows:

In € thousands	31/12/2014	31/12/2013
Suppliers - purchases of goods and services	2,112	7,675
Suppliers - holdback	224	190
Suppliers - expenses payable	89,789	68,586
TOTAL	92,124	76,451

NOTE 24 – TAX AND SOCIAL WELFARE LIABILITIES

At the end of the fiscal year, the accounting situation is as follows:

In € thousands	31/12/2014	31/12/2013
Employee-related liabilities	13,038	13,452
Social organizations	10,646	10,502
VAT	6,032	6,499
Other taxes and duties	1,288	1,267
TOTAL	31,003	31,720

NOTE 25 – OTHER LIABILITIES

The significant elements of this item are as follows:

In € thousands	Notes	31/12/2014	31/12/2013
TRADE NOTES AND ACCOUNTS PAYABLE		12,814	8,478
Suppliers of fixed assets		359	1,301
Suppliers of fixed assets - holdback		492	508
Suppliers of fixed assets - national provident funds		11,330	5,001
Suppliers of fixed assets - charges payable		632	1,669
OTHER LIABILITIES	(a)	4,654	7,559
TOTAL		17,468	16,037

(a) Of which €3.8 million in revenue not yet allocated.

NOTE 26 – OTHER INFORMATION

POST-CLOSING EVENTS

None.

SITUATION WITH REGARD TO CORPORATE TAX

IRSN has a loss to carry over.

OFF-BALANCE SHEET COMMITMENTS

- Retirement commitments (calculation in accordance with IAS 19): €18.0 million gross, that is, €26.8 million including an estimate of social-security costs.

The following assumptions were used:

- discount rate 1%;
- age at retirement: 65 years and 67 years for persons born after 1955;
- turnover rate used: 2.5%;
- salary increase rate: 2.5%.

- Commitments associated with the individual training right (DIF): €7.1 million, including an estimate of social security costs.
- Leasing: None.
- Other off-balance sheet commitments received: 102 bank guarantees to cover holdbacks paid to suppliers, including 96 in euros totaling €1.8 million and six in yen totaling 104.4 million yen.

WORKFORCE

The paid workforce in the employment of the Institute as at December 31, 2014 was 1,730 private individuals. This figure can be broken down as follows:

- permanent managerial contracts: 1,210;
- permanent non-managerial contracts: 396;
- fixed-term contracts: 124.

AUDITOR'S REPORT



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Rapport du commissaire aux comptes sur les comptes annuels

Exercice clos le 31 décembre 2014

Mesdames, Messieurs,

En exécution de la mission qui nous a été confiée par le Ministère de l'économie, de l'industrie et du numérique, nous vous présentons notre rapport relatif à l'exercice clos le 31 décembre 2014, sur :

- le contrôle des comptes annuels de l'IRSN, tels qu'ils sont joints au présent rapport;
- la justification de nos appréciations ;
- les vérifications et informations spécifiques prévues par la loi.

Les comptes annuels ont été arrêtés par votre Conseil d'Administration. Il nous appartient, sur la base de notre audit, d'exprimer une opinion sur ces comptes.

Nous précisons que, votre établissement n'étant pas tenu précédemment de désigner un commissaire aux comptes, les comptes de l'exercice 2013 n'ont pas fait l'objet d'une certification.

1 Opinion sur les comptes annuels

Nous avons effectué notre audit selon les normes d'exercice professionnel applicables en France à l'exception des points décrits dans le paragraphe suivant; ces normes requièrent la mise en œuvre de diligences permettant d'obtenir l'assurance raisonnable que les comptes annuels ne comportent pas d'anomalies significatives. Un audit consiste à vérifier, par sondages ou au moyen d'autres méthodes de sélection, les éléments justifiant des montants et informations figurant dans les comptes annuels. Il consiste également à apprécier les principes comptables suivis, les estimations significatives retenues et la présentation d'ensemble des comptes. Nous estimons que les éléments que nous avons collectés sont suffisants et appropriés pour fonder notre opinion.

KPMG S.A.,
société française membre du réseau KPMG
constitué de cabinets indépendants adhérents de
KPMG International Cooperative, une entité de droit suisse.

Société anonyme d'expertise
comptable et de commissariat
aux comptes à directeur et
conseil de surveillance.
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Nous formulons des réserves sur les points suivants :

- L'annexe dans la « note 1.2.1- Immobilisations corporelles et incorporelles » précise les modalités de comptabilisation des comptes de l'actif immobilisé. Nos travaux d'évaluation du contrôle interne ont mis en évidence certaines faiblesses ayant trait aux modalités de distinction des charges et actifs immobilisés. Les travaux d'analyse et de renforcement des procédures de suivi et de contrôle interne se rapportant à ces éléments sont en cours et leurs conséquences peuvent potentiellement avoir un impact sur la présentation et l'évaluation des postes correspondants.
- Ainsi qu'exposé dans la « note 25- Autres dettes » de l'annexe, le poste « Autres dettes diverses » enregistre pour 3,8 M€ au 31 décembre 2014 des encaissements en attente d'analyse et d'affectation comptable dont 1,5 M€ sont antérieurs au 31 décembre 2013. En l'absence du résultat de ces analyses nous ne pouvons nous prononcer sur la destination comptable finale de ce compte d'attente.
- L'examen des données du bilan d'ouverture au 31 décembre 2013 a conduit à identifier 6,3 M€ de factures à établir sur un projet de recherche au lieu d'un produit constaté d'avance de 6,6 M€ sur la base de la mesure à l'avancement du projet. L'impact de cette correction de 12,9 M€ a été enregistré sur l'exercice et pris en compte au niveau des capitaux propres ainsi qu'indiqué dans la « note 17 – Report à nouveau » de l'annexe.

Sous ces réserves, nous certifions que les comptes annuels sont, au regard des règles et principes comptables français, réguliers et sincères et donnent une image fidèle du résultat des opérations de l'exercice écoulé ainsi que de la situation financière et du patrimoine de l'établissement à la fin de cet exercice.

Sans remettre en cause l'opinion exprimée ci-dessus, nous attirons votre attention sur :

- la « note 1.1. "Comparabilité des comptes » de l'annexe qui expose les changements de méthode comptable concernant :
 - la comptabilisation des immobilisations incorporelles et corporelles contrôlées conjointement par des entités publiques conformément à l'instruction de la Direction des finances publiques (BOFIP-GCP-14-0003) du 31 janvier 2014.
 - la présentation des subventions d'investissements virées au compte de résultat étaient comptabilisées au 31 décembre 2013 en Produits exceptionnels. Au 31 décembre 2014 ces produits sont comptabilisés en reprise des dotations aux amortissements et aux provisions.
- la note « 1.2.2- Immobilisations financières » qui présente les modalités de gestion du fonds dédié aux opérations de démantèlement et d'assainissement de l'IRSN. Ce fonds dédié est présenté en actif financier afin de refléter la décision de cantonnement d'actifs dédiés aux opérations de démantèlement et d'assainissement prise par le Conseil d'Administration mais ne bénéficie pas encore au plan opérationnel d'un suivi différencié des disponibilités.



Institut de Radioprotection et de Sécurité Nucléaire (IRSN)
Rapport du commissaire aux comptes sur les comptes annuels
10 avril 2015

2 Justification des appréciations

En application des dispositions de l'article L.823-9 du Code de commerce relatives à la justification de nos appréciations, nous portons à votre connaissance les appréciations auxquelles nous avons procédé, outre celles ayant conduit à aux réserves mentionnées ci-dessus.

Règles et principes comptables

Dans le cadre de notre appréciation des règles et principes comptables suivis par l'établissement, nous nous sommes assurés de la pertinence des principes comptables retenus afin de traduire le plus fidèlement possible l'activité et le patrimoine de l'établissement.

Provisions pour risques et charges

Votre établissement constitue des provisions pour couvrir ses passifs de démantèlement et d'assainissement, tel que décrit dans la « note 20 – Provisions pour risques et charges » de l'annexe.

Nos travaux ont notamment consisté à apprécier les données et les hypothèses sur lesquelles se fondent ces estimations, à revoir par sondages les calculs effectués par l'établissement, à comparer les estimations comptables des périodes précédentes avec les réalisations correspondantes et à examiner les procédures d'approbation de ces estimations par la direction. Nous rappelons toutefois que, ces estimations étant fondées sur des prévisions présentant par nature, un caractère incertain, les réalisations peuvent différer, parfois de manière significative, des prévisions.

Dans le cadre de nos appréciations, nous nous sommes assurés du caractère raisonnable de ces estimations

Les appréciations ainsi portées s'inscrivent dans le cadre de notre démarche d'audit des comptes annuels, pris dans leur ensemble, et ont donc contribué à la formation de notre opinion exprimée dans la première partie de ce rapport.



3 Vérifications et informations spécifiques

Nous avons également procédé, conformément aux normes d'exercice professionnel applicables en France, aux vérifications spécifiques prévues par la loi.

A l'exception de l'incidence des faits exposés dans la première partie de ce rapport, nous n'avons pas d'autres observations à formuler sur la sincérité et la concordance avec les comptes annuels des informations données dans le rapport de gestion du Directeur général et dans les documents adressés sur la situation financière et les comptes annuels.

Paris La Défense, le 10 avril 2015

KPMG Audit
Département de KPMG S.A.

Denis Marangé
Associé

IRSN

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