

Registered No 3108756

Westinghouse Electric Energy Systems UK Limited

Annual Report and Accounts

31 March 2010

FRIDAY



AW00UQ7X

A18

24/12/2010

96

COMPANIES HOUSE

Westinghouse Electric Energy Systems UK Limited

DIRECTORS

P Martin
A Bull

SECRETARY

F A Houghton

AUDITORS

Ernst & Young LLP
20 Chapel Street
Liverpool
L3 9AG

BANKERS

JP Morgan Chase Bank N A
125 London Wall
London
EC2Y 5AJ

REGISTERED OFFICE

Springfields
Salwick
Preston
Lancashire
PR4 OXJ

Westinghouse Electric Energy Systems UK Limited

DIRECTORS' REPORT

The Directors present their report and accounts for the financial year ended 31 March 2010

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £3,825,427 (2009 profit of £7,053,110)

The Directors do not recommend a dividend (2009 £nil)

PRINCIPAL ACTIVITIES

The Company's principal activity is to provide financing for the investing and borrowing of cash funds among the group Companies

FINANCIAL INSTRUMENTS AND TREASURY POLICIES

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

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken

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

Interest rate risk

The Company finances its operations through a mixture of retained profits and loans to / from group undertakings. Interest rates in respect of group undertakings are in accordance with Toshiba treasury policies

Foreign currency risk

As at 31 March 2010 there were 11 outstanding foreign currency contracts (2009 22)

Company policies ensure that an overall view of the Group's exchange exposure and foreign currency commitments can be done in conjunction with the Treasury Department of Westinghouse Electric Company LLC

Westinghouse's policy requires that transaction exposure be properly hedged beyond \$250,000, through the purchase of forward or option contracts, matching the terms of the underlying exposure. Contingent exposures, such as bid to award risk, may be hedged at the discretion of the respective company. Recommendation is that the risk remains with the customer or vendor until an award is made or a purchase becomes firm. Westinghouse does not hedge for translation exposure and competitive exposure is managed through strategic sourcing

Westinghouse Electric Energy Systems UK Limited

DIRECTORS' REPORT (continued)

DIRECTORS

The Directors who served during the year and changes since the year end were as follows

D J Powell (resigned 12 October 2010)

L Aylmore (resigned 12 October 2010)

P Martin (appointed 12 October 2010)

A Bull (appointed 12 October 2010)

The Company maintains Directors and Officers' liability insurance covering the defence costs of civil legal proceedings and the damages resulting from the unsuccessful defence of such proceedings except, in such cases, to the extent that a Director or Officer acted fraudulently or dishonestly

POST BALANCE SHEET EVENTS

On 12 October 2010 David Powell and Linda Aylmore resigned, and Peter Martin and Adrian Bull were appointed as Directors of the Company

DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 415(1) of the Companies Act 2006, each of the above Directors (excluding those who have resigned during the financial year)

- is not aware of any relevant audit information of which the Company's auditors are unaware, and
- has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

The Directors' report has been prepared in accordance with Section 417 of the Companies Act 2006

On behalf of the Board



P Martin

Director

Date 14th December 2010

Westinghouse Electric Energy Systems UK Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

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

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those accounts, the Directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTINGHOUSE ELECTRIC ENERGY SYSTEMS UK LIMITED

We have audited the financial statements of Westinghouse Electric Energy Systems UK Limited for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the Directors, and
- the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WESTINGHOUSE ELECTRIC ENERGY SYSTEMS UK LIMITED**

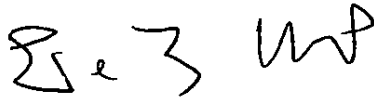
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Barry Flynn
Senior Statutory Auditor
for and on behalf of Ernst & Young LLP, Statutory Auditor
Liverpool

21/12/10

Westinghouse Electric Energy Systems UK Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2010

	Notes	2010 £000	2009 £000
TURNOVER	2	-	122
Cost of sales		<u>-</u>	<u>(101)</u>
GROSS PROFIT		-	21
Other net operating expense		<u>(3,496)</u>	<u>-</u>
OPERATING (LOSS) / PROFIT		(3,496)	21
Interest receivable and similar income	5	2,916	18,688
Interest payable and similar charges	6	<u>(4,733)</u>	<u>(8,913)</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(5,313)	9,796
Taxation on (loss) / profit on ordinary activities	7	<u>1,488</u>	<u>(2,743)</u>
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		<u>(3,825)</u>	<u>7,053</u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 March 2010

There are no recognised gains or losses other than the loss for the year of £3,825,427 (2009 profit of £7,053,110)

Westinghouse Electric Energy Systems UK Limited

BALANCE SHEET

At 31 March 2010

	Notes	2010 £000	2009 £000
CURRENT ASSETS			
Debtors	8	125,283	275,443
Cash at bank and in hand		<u>2,775</u>	<u>1,655</u>
		128,058	277,098
CREDITORS amounts falling due within one year	9	<u>(109,505)</u>	<u>(254,720)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		18,553	22,378
CAPITAL AND RESERVES			
Called up share capital	10	-	-
Profit and loss account	11	<u>18,553</u>	<u>22,378</u>
EQUITY SHAREHOLDERS' FUNDS	12	18,553	22,378

The financial statements of Westinghouse Electric Energy Systems UK Limited for the year ended 31 March 2010 were authorised for issue by the Directors on *14th December 2010* and the balance Sheet was signed on behalf of the Directors by



P Martin
Director

Westinghouse Electric Energy Systems UK Limited

STATEMENT OF CASH FLOWS

For the year ended 31 March 2010

	Notes	2010 £000	2009 £000
NET CASH FLOW FROM OPERATING ACTIVITIES	13a	(4,411)	(200)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest paid		(3,908)	(8,619)
Interest received		4,373	8,381
		465	(238)
TAXATION			
Corporation taxation paid		(1,826)	(607)
NET CASH FLOW BEFORE MANAGEMENT OF LIQUID RESOURCES AND FINANCING		(5,772)	(1,045)
MANAGEMENT OF LIQUID RESOURCES			
Decrease in current accounts due from group undertakings		162,284	64,667
FINANCING			
Net decrease in loans to group undertakings		(156,866)	(65,486)
DECREASE IN CASH		(354)	(1,864)
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		2010 £000	2009 £000
Decrease in cash in the period		(354)	(1,864)
Cash inflow from decrease in current accounts due from group undertakings		(162,284)	(64,667)
Cash outflow resulting from decrease in loans from group undertakings		156,866	65,486
Changes in net funds resulting from cash flows	13b	(5,772)	(1,045)
Exchange movement	13b	(2,222)	10,047
Movement in the period		(7,994)	9,002
Net funds at the beginning of the period	13b	27,888	18,886
Net funds at the end of the period	13b	19,894	27,888

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS **At 31 March 2010**

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions

- Deferred taxation assets are recognised only to the extent that the Directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date

Foreign currencies

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

2 TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties

Turnover is attributable to one continuing activity, the provision of services to the nuclear industry in the United Kingdom

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS (continued) At 31 March 2010

3. DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

The Directors received no emoluments during the year (2009 £nil)

The Company had no employees during the financial year ended 31 March 2010 (2009 nil)

4. AUDIT FEES

Audit fees are paid by Westinghouse Electric UK Holdings Limited

5. INTEREST RECEIVABLE AND OTHER INCOME

	2010 £000	2009 £000
Interest receivable from immediate parent undertaking	35	72
Interest receivable from fellow subsidiary undertakings	176	100
Interest receivable from group undertakings	2,699	8,269
Bank interest	6	200
Exchange gains	-	10,047
	2,916	18,688

6. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £000	2009 £000
Interest payable to immediate parent undertaking	888	2,484
Interest payable to fellow subsidiary undertakings	398	2,582
Interest payable to group undertakings	1,225	3,802
Bank interest payable	-	3
Exchange losses	2,222	-
Other	-	42
	4,733	8,913

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS (continued) At 31 March 2010

7. TAXATION ON LOSS ON ORDINARY ACTIVITIES

(a) Taxation on loss on ordinary activities

	2010 £000	2009 £000
<i>Current tax</i>		
UK corporation taxation based on the results of the financial year	(1,488)	2,743
Taxation (credit) / charge for the financial year	<u>(1,488)</u>	<u>2,743</u>

(b) Factors affecting the current taxation charge

Taxation is assessed at the standard rate of UK corporation taxation of 28% (2009 28%) as below

	2010 £000	2009 £000
(Loss) / profit on ordinary activities before taxation	<u>(5,313)</u>	<u>9,796</u>
Taxation on profit / (loss) at 28% (2009 28%)	<u>(1,488)</u>	<u>2,743</u>
Total current taxation (credit) / charge	<u>(1,488)</u>	<u>2,743</u>

The government announced that the corporation tax rate would reduce from 28% to 27% for the financial year 2011/12 and would reduce by a percent each year thereafter until the rate is 24%. The legislation was not substantively enacted at the Balance Sheet date, therefore deferred tax balances, where relevant, have been calculated at 28%. The Company has no deferred taxation asset or liability as at 31 March 2010 (2009 £nil)

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS (continued) At 31 March 2010

8. DEBTORS

	2010 £000	2009 £000
Amounts owed by ultimate parent undertaking	158	-
Amounts owed by immediate parent undertaking	161	161
Amounts owed by fellow subsidiary undertakings	723	11
Amounts owed by group undertakings	122,422	275,271
Corporation tax	1,819	-
	<u>125,283</u>	<u>275,443</u>

9. CREDITORS: amounts falling due within one year

	2010 £000	2009 £000
Amounts owed to immediate parent undertaking	10,087	87,729
Amounts owed to fellow subsidiary undertakings	4,097	44,168
Amounts owed to group undertakings	95,321	121,282
Corporation tax	-	1,495
Other taxes and social security costs	-	46
	<u>109,505</u>	<u>254,720</u>

10. SHARE CAPITAL

	2010 £	2009 £
Authorised 100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called-up and fully paid 3 ordinary shares of £1 each	3	3
	<u>3</u>	<u>3</u>

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS (continued) At 31 March 2010

11. RESERVES

	Profit and loss account £000
At 1 April 2009	22,378
Loss for the year	(3,825)
	<hr/>
At 31 March 2010	18,553
	<hr/>

12. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2010 £000	2009 £000
(Loss) / profit for the financial year	(3,825)	7,053
Opening shareholders' funds	22,378	15,325
	<hr/>	<hr/>
Closing shareholders' funds	18,553	22,378
	<hr/>	<hr/>

13. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of operating profit to net cash flow from operating activities

	2010 £000	2009 £000
Operating (loss) / profit	(3,496)	21
Increase in debtors and prepayments	(869)	(172)
Decrease in operating creditors and accruals	(46)	(49)
	<hr/>	<hr/>
Net cash flow from operating activities	(4,411)	(200)
	<hr/>	<hr/>

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS (continued) At 31 March 2010

13 NOTES TO THE STATEMENT OF CASH FLOWS (continued)

(b) Analysis of net funds

	At 1 April 2009	Cash flow	Exchange movement	Other non-cash flows	At 31 March 2010
	£000	£000	£000	£000	£000
Cash in hand and at bank	1,655	(354)	1,474	-	2,775
Loans receivable from group undertakings	272,887	(162,284)	10,893	-	121,496
Loans payable to group undertakings	(246,654)	156,866	(14,589)	-	(104,377)
	27,888	(5,772)	(2,222)	-	19,894

14. RELATED PARTY TRANSACTIONS

During the year the group entered into transactions in the ordinary course of business with other related parties. Transactions entered into, and trading balances outstanding at 31 March, are as follows:

	2010 £000	2010 £000	2009 £000	2009 £000
<i>Loans receivables and payables</i>	Loan receivable	Loan payable	Loan receivable	Loan payable
Astare SAS	1,349	-	2,227	-
CS Innovations, L L C	335	-	-	-
TSB (Investment Europe) Limited	-	3,336	-	7,840
Westinghouse Electric Company LLC	11,586	3,102	198,797	-
Westinghouse Barras Provence SA	11,155	-	13,175	-
Westinghouse Service Nucleaire SA	6,927	-	15,959	-
Westinghouse Electrique France SAS	5,847	-	13,593	4,639
Westinghouse Operations Nucleaires SAS	-	-	-	2,320
Westinghouse South Africa (PTY) Limited	2,913	-	372	-
Toshiba International Finance (UK) Plc	64,819	-	25,052	-
Westinghouse Electric UK Holdings Limited (formerly Westinghouse Electric UK Limited)	-	5,797	-	82,708
Uranium Asset Management Limited	-	-	-	35,466
Westinghouse Electric Czech Republic s r o	-	4,633	-	4,605
Westinghouse Electric Belgium SA	-	4,003	3,712	3,492
Westinghouse Electric Germany GmbH	-	83,506	-	75,203
Westinghouse Electric Sweden AB	16,565	-	-	30,381
	121,496	104,377	272,887	246,654

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS (continued) At 31 March 2010

14. RELATED PARTY TRANSACTIONS (continued)

	2010 £000	2010 £000	2009 £000	2009 £000
<i>Debtors and Creditors</i>	<i>Debtor</i>	<i>Creditor</i>	<i>Debtor</i>	<i>Creditor</i>
Astare SAS	2	-	39	-
CS Innovations, L L C	1	-	-	-
Toshiba International Finance (UK) Plc	5	-	3	-
Toshiba Nuclear Energy Holdings (UK) Limited	158	-	-	-
TSB (Investment Europe) Limited	-	761	-	803
Uranium Asset Management Limited	723	-	11	58
Westinghouse Barras Provence SA	42	-	121	-
Westinghouse Electric Czech Republic s r o	-	5	-	26
Westinghouse Electric Belgium SA	-	-	36	43
Westinghouse Electric Company LLC	778	4	1,968	-
Westinghouse Electrique France SAS	29	-	113	22
Westinghouse Electric Germany GmbH	-	68	-	337
Westinghouse Electric Sweden AB	5	-	-	210
Westinghouse Electric UK Holdings Limited (formerly Westinghouse Electric UK Limited)	161	4,290	161	5,022
Westinghouse Operations Nucleaires SAS	-	-	-	4
Westinghouse Service Nucleaire SA	16	-	99	-
Westinghouse Electric South Africa (PTY) Limited	48	-	5	-
	1,968	5,128	2,556	6,525

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS (continued) At 31 March 2010

14. RELATED PARTY TRANSACTIONS (continued)

	2010 £000	2010 £000	2009 £000	2009 £000
<i>Interest paid & Interest received</i>	Interest Paid	Interest Received	Interest Paid	Interest Received
Astare SAS	-	33	-	74
CS Innovations, L L C	-	2	-	-
TSB (Investment Europe) Limited	66	-	408	100
Uranium Asset Management Limited	260	-	2,174	-
Westinghouse Barras Provence SA	-	223	-	547
Westinghouse Electric Czech Republic s r o	65	-	41	-
Westinghouse Electric Belgium SA	6	77	127	36
Westinghouse Electric Company LLC	56	1,871	130	5,763
Westinghouse Electrique France SAS	61	184	151	838
Westinghouse Electric Germany GmbH	972	-	2,054	-
Westinghouse Electric Sweden AB	132	42	1,295	-
Westinghouse Electric UK Holdings Limited (formerly Westinghouse Electric UK Limited)	888	35	2,484	72
Westinghouse Operations Nucleaires SAS	5	-	4	9
Westinghouse Service Nucleaire SA	-	330	-	770
Westinghouse Electric South Africa (PTY) Limited	-	99	-	9
Toshiba Americas Credit Corporation	-	-	-	51
Toshiba International Finance (UK) Plc	-	14	-	172
	2,511	2,910	8,868	8,441

15. FINANCIAL INSTRUMENTS

	2010 £000	2009 £000
Forward currency hedging contracts (fair value)	(15,718)	(5,930)
	(15,718)	(5,930)

At 31 March 2010, the Company held 11 forward currency hedging contracts (2009 22), with a book value of £nil (2009 £nil)

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS (continued) At 31 March 2010

15. FINANCIAL INSTRUMENTS (continued)

Unrecognised gains and losses as at 31 March 2010 are expected to be recognised as follows

	2010 £000	2009 £000
Within one year	(375)	5
Total unrealised (losses) / gains	<u>(375)</u>	<u>5</u>

16. ULTIMATE HOLDING COMPANY AND CONTROLLING PARTY

The Company is a subsidiary undertaking of Westinghouse Electric UK Holdings Limited and the ultimate parent company is Toshiba Corporation. Westinghouse Electric UK Holdings Limited is a subsidiary undertaking of Toshiba Nuclear Energy Holdings (UK) Limited which is owned in the following proportions

67%	TSB Nuclear Energy Investment UK Limited
20%	Shaw Group Inc
10%	National Atomic Company Kazatomprom JSC
3%	IHI Corporation

The smallest and largest group in which the results of the Corporation are consolidated is that headed by Toshiba Corporation, a company incorporated in Japan. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public and may be obtained from the Head Office of the Toshiba Corporation in Japan. The head office address is Toshiba, 1-1, Shibaura, 1-chome, Minato-ku, Tokyo 105-8001, Japan.

17. POST BALANCE SHEET EVENTS

On 12 October 2010 David Powell and Linda Aylmore resigned, and Peter Martin and Adrian Bull were appointed as Directors of the Company.