

Westinghouse Electric Energy Systems UK Limited

Annual Report and Accounts

31 March 2001



Registered No. 3108756

Westinghouse Electric Energy Systems UK Limited

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DIRECTORS

M T Sweeney

(resigned 31 August 2000)

M J Saunders

(appointed 31 August 2000)

SECRETARY

C S Reid

BANKERS

Barclays Bank PLC

P.O. Box 544

54 Lombard Street

London EC3V 9EX

United Kingdom

AUDITORS

Ernst & Young LLP

100 Barbirolli Square

Manchester

M2 3EY

REGISTERED OFFICE

Risley

Warrington

Cheshire

WA3 6AS

DIRECTOR'S REPORT

The directors submit their report and accounts for the year ended 31 March 2001.

RESULTS AND DIVIDENDS

The profit for the year after taxation amounted to £379,610 (15 months ended 31 March 2000: £185,071). The directors recommend that no dividend be paid.

REVIEW OF THE BUSINESS AND PRINCIPAL ACTIVITIES

The company's principal activity is to act as a commissioned agent for other group companies supplying services to the nuclear industry. The directors consider that the company had a successful year.

DIRECTORS AND THEIR INTERESTS

The directors during the year were as disclosed on page 2.

There were no Directors' shareholdings or interests requiring disclosure under the Companies Act 1985.

ELECTIVE RESOLUTIONS

The Company has elected to dispense with the holding of Annual General Meetings pursuant to Section 366A of the Companies Act 1985.

The Company has elected to dispense with the appointment of Auditors pursuant to Section 386 of the Companies Act 1985.

The Company has elected to dispense with the laying of accounts and reports in general meeting pursuant to Section 252 of the Companies Act 1985.

By order of the board



C S Reid
Secretary

24.01.02

Westinghouse Electric Energy Systems UK Limited

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Company law requires the directors to prepare accounts for each financial period which 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;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

The directors confirm that they have complied with the above requirements in preparing the accounts.

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 1985. 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 company's financial statements for the year ended 31 March 2001 which comprise the Profit and Loss Account, Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 March 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Manchester

31-03-02

Westinghouse Electric Energy Systems UK Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2001

		<i>Year ended 31 March 2001</i>	<i>15 months ended 31 March 2000</i>
	<i>Notes</i>	<i>£</i>	<i>£</i>
TURNOVER	2	657,282	308,893
Cost of sales		-	-
GROSS PROFIT		657,282	308,893
Administration costs		(123,445)	(57,430)
OPERATING PROFIT	3	533,837	251,463
Interest receivable	5	9,034	13,741
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		542,871	265,204
Taxation	6	(163,261)	(80,133)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		379,610	185,071

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses other than the profit of £379,610 for the year ended 31 March 2001. (15 months ended 31 March 2000: £185,071).

Westinghouse Electric Energy Systems UK Limited

BALANCE SHEET

at 31 March 2001

	Notes	31 March 2001 £	31 March 2000 £
FIXED ASSETS			
Tangible assets	7	-	247
CURRENT ASSETS			
Debtors	8	1,391,791	728,521
Cash at bank and in hand		1,814,296	521,609
		<u>3,206,087</u>	<u>1,250,130</u>
CREDITORS: amounts falling due within one year	9	2,331,645	755,545
NET CURRENT ASSETS		<u>874,442</u>	<u>494,585</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>874,442</u>	<u>494,832</u>
CAPITAL AND RESERVES			
Called up share capital	10	3	3
Profit and loss account	11	874,439	494,829
SHAREHOLDERS' FUNDS		<u>874,442</u>	<u>494,832</u>

Approved by the Board on 24.01.02

M. J. Fowler

Director

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

1. ACCOUNTING POLICIES

Basis of preparation

The accounts are prepared under the historical cost convention and in accordance with all applicable accounting standards.

Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable. Depreciation is provided on all tangible fixed assets at rates calculated to write off cost less estimated residual value on a straight-line basis as follows:

Computers: 3 years

Deferred taxation

Deferred taxation is provided using the liability method on all timing differences, including those relating to pensions, which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

Deferred taxation assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

Operating leases

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Cash flow statement

As a wholly owned subsidiary of a group in which the largest member publishes consolidated accounts including a cash flow statement, the company has taken advantage of the exemption available under FRS 1 and has not published a cash flow statement.

Goodwill

Goodwill is the difference between the cost of an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities. Goodwill, including negative goodwill, is capitalised and written off/released to the profit and loss account on a straight-line basis over its useful economic life.

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 represents commission arising on transactions in the period, stated net of value added tax. Turnover and profits on ordinary activities in respect of the company's one continuing activity arise wholly within the United Kingdom.

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

3. OPERATING PROFIT

Operating profit is stated after charging:

	<i>Year ended 31 March 2001 £</i>	<i>15 months ended 31 March 2000 £</i>
Depreciation	247	416
Auditor's remuneration	2,000	2,000
Foreign Exchange losses	8,515	600
	<u> </u>	<u> </u>

4. STAFF COSTS

The company has no employees.

5. INTEREST RECEIVABLE

	<i>Year ended 31 March 2001 £</i>	<i>15 months ended 31 March 2000 £</i>
Bank interest	9,034	13,741
	<u> </u>	<u> </u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge is made up as follows:

	<i>Year ended 31 March 2001 £</i>	<i>15 months ended 31 March 2000 £</i>
Based on the profit for the year:		
Corporation tax	163,261	80,133
	<u> </u>	<u> </u>

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

7. TANGIBLE FIXED ASSETS

	<i>Computer Equipment £</i>
Cost:	
At 31 March 2000 and 2001	994
Depreciation:	
At 31 March 2000	747
Charge for the period	247
At 31 March 2001	994
Net book value:	
At 31 March 2001	-
At 31 March 2000	247

8. DEBTORS

	<i>31 March 2001 £</i>	<i>31 March 2000 £</i>
Trade debtors	20,259	254,628
Amounts due from fellow subsidiary undertakings	1,371,432	455,860
Other debtors	100	18,033
	1,391,791	728,521

9. CREDITORS: amounts falling due within one year

	<i>31 March 2001 £</i>	<i>31 March 2000 £</i>
Trade creditors	67,858	278,234
Amounts due to group undertakings	1,595,154	253,386
Corporation tax	163,261	55,693
Other taxes and social security costs	382,819	45,699
Accruals	122,553	122,533
	2,331,645	755,545

Westinghouse Electric Energy Systems UK Limited

NOTES TO THE ACCOUNTS

at 31 March 2001

10. SHARE CAPITAL

	<i>31 March 2001</i>	<i>31 March 2000</i>
	<i>£</i>	<i>£</i>
Authorised		
Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called-up and fully paid:		
Ordinary shares of £1 each	3	3
	<hr/>	<hr/>

On 31st August 2000 the issued Share capital of the Company was acquired by BNFL (UK) Limited.

11. RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i>	<i>Profit and loss account</i>	<i>Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>
Balance at 31 December 1998	3	309,758	309,761
Profit for the year	-	185,071	185,071
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2000	3	494,829	494,832
Profit for the year	-	379,610	379,610
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2001	3	874,439	874,442
	<hr/>	<hr/>	<hr/>

12. CONTROLLING PARTY

In the Directors' opinion, the Company's ultimate controlling party is Her Majesty's Government.

The Company, being a wholly owned subsidiary of British Nuclear Fuels plc has taken advantage of the exemption from the disclosure requirements as available in para.3(c) of FRS8. The company's parent undertaking is incorporated in England and Wales.

Copies of the accounts of British Nuclear Fuels plc are available from its registered office at Risley, Warrington, Cheshire WA3 6AS.