

Registered Number: SC 152227

SCOTTISH NUCLEAR INTERNATIONAL LIMITED

DIRECTORS' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1997



Registered Office:

3 Redwood Crescent  
Peel Park  
EAST KILBRIDE  
G74 5PR

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## SCOTTISH NUCLEAR INTERNATIONAL LIMITED

### DIRECTORS' REPORT

The Directors present their report and the audited accounts of Scottish Nuclear International Limited (the Company) for the year ended 31 March 1997.

### ACTIVITIES AND FUTURE DEVELOPMENTS

The Company's principal activity is handling the overseas business of Scottish Nuclear Limited.

During the year, the Company completed its contract to carry out on-site assistance and advise on plant upgrade work at Smolensk Nuclear Power Plant in Russia, funded through the European Union's TACIS programme over a two year period. A continuation contract has been agreed and will be completed November 1997.

### RESULTS AND DIVIDENDS

The loss for the year was £150,000 (1996: profit - £17,000) and this amount has been transferred from reserves. No dividends are proposed. (1996: Nil)

### DIRECTORS AND THEIR INTERESTS

The Directors who served the Company during the year and their interest in the share capital of the Company were as follows:-

	<u>ORDINARY SHARES OF £1 EACH</u>	
	<u>1997</u>	<u>1996</u>
Robin Campbell Jeffrey	1	1
Robert Malcolm Armour	-	-
Neil Richard John Stewart (Resigned 15 Oct 1997)	-	-

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts for each financial year 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:

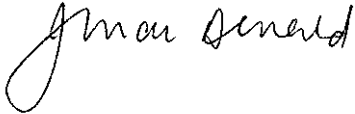
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 1985. They are also responsible for safeguarding the assets of the Company and for taking reasonable steps to prevent and detect fraud and other irregularities.

## AUDITORS

Price Waterhouse have expressed their willingness to continue in office as auditors of the Company. A resolution for their appointment will be proposed at the Annual General Meeting.

By Order of the Board



JEAN ELIZABETH MacDONALD  
SECRETARY

12 January 1998

### Registered Office:

3 Redwood Crescent  
Peel Park  
EAST KILBRIDE  
G74 5PR

AUDITORS' REPORT TO THE MEMBERS OF SCOTTISH NUCLEAR INTERNATIONAL LIMITED

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the Company's Directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the Company's affairs at 31 March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Price Waterhouse*

PRICE WATERHOUSE  
Chartered Accountants  
and Registered Auditors  
1 Blythwood Square  
GLASGOW  
G2 4AD

12 January 1998

SCOTTISH NUCLEAR INTERNATIONAL LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1997

	Note	1997 £000	1996 £000
Turnover	3	473	1018
Operating costs	4	640	1020
Operating loss		(167)	(2)
Bank interest received		17	19
(Loss)/profit for year before taxation		(150)	17
Taxation	5	-	-
(Loss)/profit for year after taxation		(150)	17
Retained profit brought forward		13	(4)
Retained (loss)/profit carried forward		(137)	13

STATEMENT OF TOTAL RECOGNISED GAINS/LOSSES

The Company had no recognised gains or losses other than the historical cost loss for the year.  
(1996-Nil)

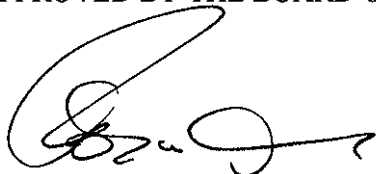
The notes on pages 6 to 7 form part of these accounts.

SCOTTISH NUCLEAR INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

	<u>Note</u>	<u>1997</u> <u>£000</u>	<u>1996</u> <u>£000</u>
<b>CURRENT ASSETS</b>			
Debtors	6	662	767
Cash at bank		379	252
		<u>1041</u>	<u>1019</u>
<b>CREDITORS (Amounts falling due within one year)</b>			
	7	<u>(1178)</u>	<u>(1006)</u>
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		<u>(137)</u>	<u>13</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	-	-
Profit and loss account		<u>(137)</u>	<u>13</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>	9	<u>(137)</u>	<u>13</u>

APPROVED BY THE BOARD ON 12 JANUARY 1998



ROBERT MALCOLM ARMOUR  
DIRECTOR

The notes on pages 6 to 7 form part of these accounts.

## SCOTTISH NUCLEAR INTERNATIONAL LIMITED

### NOTES TO THE ACCOUNTS - 31 MARCH 1997

#### 1 BASIS OF ACCOUNTING

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

The Company's results are consolidated within British Energy Plc (BE) which produces publicly available financial statements including a cash flow statement. Accordingly, the Company has elected to utilise the exemption provided by Financial Reporting Standard 1, Cash Flow Statements (Revised), and has not provided a cash flow statement. Related party transactions occurring in the year relate only to fellow group undertakings and require no disclosure as the Company is a wholly owned subsidiary.

These financial statements have been prepared on the going concern basis as the Company's parent undertaking has indicated its intention to continue to financially support the company for the foreseeable future.

#### 2 ACCOUNTING POLICIES

Particulars of the significant accounting policies of the Company are noted below:-

##### (i) Long Term Contracts

Turnover in respect of contracting activities represents the value of work carried out during the period including amounts not invoiced. Profit on contracting activities is taken as work progresses, proportionate to the prudently assessed overall forecast.

The amounts recoverable on contracts represents the excess of the value of work carried out to the balance sheet date over cumulative amounts invoiced to date.

##### (ii) Foreign Currency Transactions

Assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling on the balance sheet date. Transactions entered into during the year are translated at the exchange rate ruling on that date.

#### 3 TURNOVER

Turnover arose primarily from the contract to carry out on-site assistance and plant upgrade work at Smolensk Nuclear Power Plant in Russia.

#### 4 OPERATING COSTS

	<u>1997</u>	<u>1996</u>
	<u>£000</u>	<u>£000</u>
Cost of Sales	500	749
Management Fee	140	271
	<u>640</u>	<u>1020</u>

None of the Directors received any emoluments from the Company in respect of their services during the year. Auditors' remuneration is borne by the parent company.

SCOTTISH NUCLEAR INTERNATIONAL LIMITED

NOTES TO THE ACCOUNTS - 31 MARCH 1997 (Continued)

	<u>1997</u>	<u>1996</u>
5 <u>TAXATION</u>	<u>£000</u>	<u>£000</u>
Current year credit at 33% (1996-33%)	(1)	-
Adjustment in respect of prior years		
Corporation Tax	<u>1</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Taxation losses which are not required to extinguish the prior year's corporation tax liability may be surrendered to group companies for no consideration.

6 DEBTORS

	<u>£000</u>	<u>£000</u>
Trade debtors	61	298
Amounts recoverable on contracts	600	469
Tax recoverable	1	
	<u>662</u>	<u>767</u>

7 CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>£000</u>	<u>£000</u>
Amount due to ultimate parent undertaking	141	-
Amount due to immediate parent undertaking	1037	1006
	<u>1178</u>	<u>1006</u>

8 SHARE CAPITAL

	<u>£</u>	<u>£</u>
Authorised 100 ordinary shares of £1 each	100	100
Allotted and fully paid 2 ordinary shares of £1 each	2	2

9 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS

	<u>£000</u>	<u>£000</u>
Balance brought forward	13	(4)
(Loss)/profit for the year	(150)	17
Closing shareholder's deficit funds	<u>(137)</u>	<u>13</u>

10 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party of the Company is British Energy Plc, a company registered in Scotland. Copies of the accounts of British Energy Plc can be obtained from 10 Lochside Place, Edinburgh EH12 9DF.