

BRITISH ENERGY TECHNICAL SERVICES LIMITED  
DIRECTORS' REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2001



Registered Office:

3 Redwood Crescent  
Peel Park  
East Kilbride  
G74 5PR

**British Energy Technical Services Limited  
Directors' Report and Accounts  
For the Year Ended 31 March 2001**

**DIRECTORS' REPORT**

The Directors present their report and the audited accounts of British Energy Technical Services Limited for the year ended 31 March 2001.

**ACTIVITIES AND FUTURE DEVELOPMENTS**

The Company's principal activity is handling certain overseas consultancy business of the British Energy Group.

**RESULTS AND DIVIDENDS**

The profit for the year was £169,000 (2000: profit £156,000) and this amount has been transferred to reserves. No dividends are proposed.

**DIRECTORS AND THEIR INTERESTS**

The Directors of the Company at 31 March 2001 are listed below. All the Directors held office throughout the year.

Robert Armour  
Michael Kirwan  
Peter Hollins

None of the directors had an interest in the shares of the Company during the year. The interests of Michael Kirwan and Peter Hollins in the shares of the ultimate holding company, British Energy plc, are disclosed in the accounts of that company. The other directors at 31 March 2000 had the following interests in the ordinary shares of British Energy plc:

	Shares		Share Options		Executive Share Options	
	31 March 2001	1 April 2000	31 March 2001	1 April 2000	31 March 2001	1 April 2000
Robert Armour		1,465		10,781		67,789

**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:

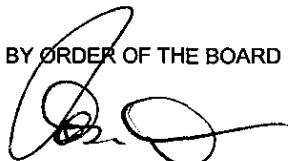
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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**

A resolution proposing the reappointment of PricewaterhouseCoopers as auditors will be put to the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



ROBERT ARMOUR  
Secretary

15 May 2001

Registered Office:

3 Redwood Crescent  
Peel Park  
East Kilbride  
G74 5PR

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**AUDITORS REPORT TO THE MEMBERS OF BRITISH ENERGY TECHNICAL SERVICES LIMITED**

We have audited the financial statements on pages 4 to 7

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report. As described on page 2, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and our profession's ethical guidance.

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 United Kingdom Companies Act. 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 is not disclosed.

**Basis of audit 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 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 the company's affairs 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.

  
PricewaterhouseCoopers

Chartered Accountants and Registered Auditors  
Edinburgh

15 May 2001

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**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2001**

	Note	2001 £000	2000 £000
Turnover	2	1,402	1,655
Operating costs	3	(1,264)	(1,499)
Other operating income		31	-
Operating profit (loss) and profit (loss) for year before taxation		<u>169</u>	<u>156</u>
Taxation	4	-	-
(Loss)/profit for year after taxation		<u>169</u>	<u>156</u>
Deficit brought forward		(59)	(215)
Earnings carried forward		<u>110</u>	<u>(59)</u>

The Company had no recognised gains or losses other than the losses for the years.

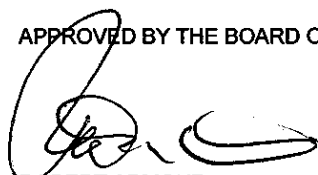
The notes on pages 6 to 7 form part of these accounts.

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**BALANCE SHEET AS AT 31 MARCH 2001**

	Note	2001 £000	2000 £000
<b>CURRENT ASSETS</b>			
Debtors	5	1,055	757
Cash at bank		783	563
		<u>1,838</u>	<u>1,320</u>
CREDITORS (Amounts falling due within one year)	6	(1,728)	(1,379)
<b>NET CURRENT ASSETS</b>		<u>110</u>	<u>(59)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	7	-	-
Profit and loss account		110	(59)
<b>TOTAL SHAREHOLDERS SURPLUS</b>	8	<u>110</u>	<u>(59)</u>

APPROVED BY THE BOARD ON 15 MAY 2001



ROBERT ARMOUR  
 Director

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

**British Energy Technical Services Limited**  
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**NOTES TO THE ACCOUNTS - 31 MARCH 2001**

**1. ACCOUNTING POLICIES**

**(i) 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 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. Additionally, as the Company is a wholly owned subsidiary it is exempt from the requirements under FRS 8 to disclose related party transactions with other members of the British Energy plc group.

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.

**(ii) 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 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.

**(iii) 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.

**2. TURNOVER**

Turnover arose primarily from contracts to carry out on-site assistance and plant upgrade work at power plants outside the UK, principally in Eastern Europe.

**3. OPERATING COSTS**

	<b>2001</b>	<b>2000</b>
	<b>£000</b>	<b>£000</b>
Cost of Sales	1,264	1,499
	<u>1,499</u>	<u>1,499</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.

**4. TAXATION**

There is no tax charge in the year. Any taxable profits arising will be covered by group relief surrendered for nil consideration. No provision for deferred tax is required because of the availability of tax losses.

**5. DEBTORS**

	<b>2001</b>	<b>2000</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	1,055	-
Amount due to fellow subsidiary undertaking	-	756
Tax recoverable	-	1
	<u>1,055</u>	<u>757</u>

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**6. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2001</b>	<b>2000</b>
	<b>£000</b>	<b>£000</b>
Amount due to ultimate parent undertaking	1,728	-
Amount due to fellow subsidiary undertaking	-	1,379
	<u>1,818</u>	<u>1,379</u>

**7. SHARE CAPITAL**

	<b>2001</b>	<b>2000</b>
	<b>£</b>	<b>£</b>
Authorised 100 ordinary shares of £1 each	100	100
Allotted, issued and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>

**8. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS DEFICIT**

	<b>2001</b>	<b>2000</b>
	<b>£000</b>	<b>£000</b>
Balance brought forward	(59)	(215)
Profit/(loss) for the year	169	156
Closing shareholder's funds - (Deficit)/Surplus	<u>110</u>	<u>(59)</u>

**9. 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 3 Redwood Crescent, Peel Park, East Kilbride, G74 5PR.