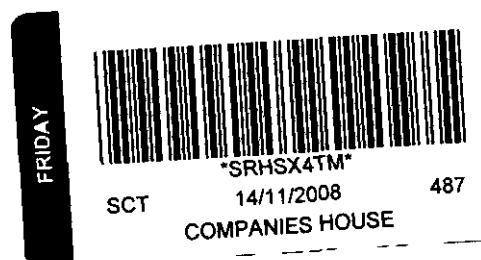


Registered Number SC 152227

BRITISH ENERGY TECHNICAL SERVICES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008

Registered Office

GSO Business Park
East Kilbride
G74 5PG



British Energy Technical Services Limited

Directors and Advisers

DIRECTORS

Robert Armour
Stephen Billingham
Bill Coley
Jean MacDonald

COMPANY SECRETARY

Robert Armour

REGISTERED OFFICE

GSO Business Park
East Kilbride
G74 5PG

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Erskine House
68 73 Queen Street
Edinburgh
EH2 4NH

SOLICITORS

MacRoberts
152 Bath Street
Glasgow
G2 4TB

British Energy Technical Services Limited
Directors' Report

The Directors present their report and the audited financial statements of the Company for the year ended 31 March 2008

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company did not trade during the year and exists for the sole purpose of paying off outstanding creditors and collecting outstanding debts

It is the intention of the Directors that the Company will continue to collect outstanding debts

References to "the Group" are to British Energy Group plc, the ultimate holding company of British Energy Technical Services Limited, and its subsidiaries including this Company

The Company has taken advantage of the small companies exemption pursuant to the Companies Act 1985 (Operating and Financial Review and Directors' Report etc) Regulations 2005. Accordingly, an enhanced business review has not been presented in these financial statements

RESULTS AND DIVIDENDS

The Company made neither a profit nor a loss for the year ended 31 March 2008 (2007 £nil), therefore a profit and loss account has not been presented

The Directors do not recommend the payment of a dividend (2007 £nil)

DIRECTORS

The Directors of the Company throughout the year and up to the date of signing the financial statements are listed on page 2

POLICY PAYMENT OF CREDITORS

The Company's policy is to settle the terms of payment with suppliers when agreeing the terms of each transaction, to ensure that suppliers are made aware of these terms and to abide by the agreed terms. The Company had no trade creditors at 31 March 2008 (2007 £nil)

CHARITABLE AND POLITICAL DONATIONS

The Company made no charitable or political donations during the year (2007 £nil)

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 2. Having made enquiries of fellow Directors and of the auditors, each of these Directors confirms that

- to the best of each Director's knowledge and belief, there is no information relevant to the preparation of their Report of which the auditors are unaware, and
- each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the auditors are aware of that information

This report was approved by the Board of Directors on 4 November 2008 and signed on its behalf by



ROBERT ARMOUR
Director

British Energy Technical Services Limited
Statement of Directors' Responsibilities
for the year ended 31 March 2008

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company, and of the results of the Company, for that year

In preparing the financial statements, 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business. Further details of the basis of preparation of the financial statements are set out in note 1

The Directors confirm that they have complied with the above requirements in preparing the financial statements

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 financial statements 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

British Energy Technical Services Limited
Independent Auditors' Report to the Members of British Energy Technical Services Limited
for the year ended 31 March 2008

We have audited the financial statements of British Energy Technical Services Limited for the year ended 31 March 2008 which comprise the balance sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of Directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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

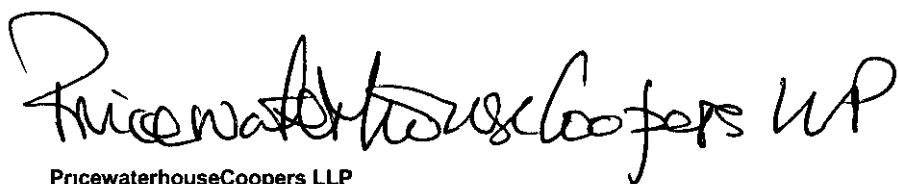
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2008 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Edinburgh

6 November 2008

British Energy Technical Services Limited
Balance Sheet
as at 31 March 2008

	Note	2008 £000	2007 £000
Current assets			
Debtors	4	702	702
Creditors amounts falling due within one year	5	(1,643)	(1,643)
Net liabilities		<u>(941)</u>	<u>(941)</u>
Capital and reserves			
Called up share capital	6	(941)	(941)
Profit and loss account		(941)	(941)
Total shareholder's deficit		<u>(941)</u>	<u>(941)</u>

The accompanying notes on pages 7 and 8 are an integral part of these financial statements

The Company did not trade during the current or preceding year and there were no other recognised gains or losses, consequently a profit and loss account or statement of total recognised gains and losses is not presented

The financial statements on pages 6 to 8 were approved by the Board of Directors on 4 November 2008 and signed on its behalf by



STEPHEN BILLINGHAM
Director

British Energy Technical Services Limited
Notes to the Financial Statements
for the year ended 31 March 2008

1 ACCOUNTING POLICIES

(i) Basis of Preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The Directors recognise that the Company has net liabilities recorded on its balance sheet, however, they consider that it is appropriate to continue to prepare the financial statements of the Company on a going concern basis because of ongoing financial support provided by the Group.

In accordance with FRS 18 – Accounting Policies, the Directors have reviewed the Company's accounting policies and confirm that they continue to be most appropriate.

The Company is a wholly owned subsidiary company of a group headed by British Energy Group plc, and is included in the consolidated accounts of that company, which are publicly available. Consequently, the Company has taken advantage of the exemption within FRS 1 (Revised 1996) – Cash Flow Statements from preparing a cash flow statement.

2 OPERATING COSTS

Auditors' remuneration was borne by British Energy Limited.

The Company has no employees (2007: nil).

3 DIRECTORS' EMOLUMENTS

	2008 £000	2007 £000
Total emoluments, including pension contributions		
For management services		
salaries and other benefits	1,733	1,520
performance related bonuses	1,059	17
pension contributions	86	82
	<u>2,878</u>	<u>1,619</u>

Emoluments for those Directors who are also Directors of British Energy Group plc are detailed in the Remuneration Committee Report in the British Energy Group plc Annual Report and Accounts. Emoluments of all Directors of the Company are borne by British Energy Limited but are included in the above amounts. None of the Directors received emoluments for their services as Directors to this Company in the year ended 31 March 2008 (2007: £nil) since the services supplied to this Company are considered to be incidental to those supplied to the Group.

Retirement benefits accrue to 3 (2007: 3) Directors under a defined benefits scheme.

The above amounts for remuneration include the following in respect of the highest paid Director:

	2008 £000	2007 £000
Emoluments	858	760
Performance related bonuses	544	
	<u>1,402</u>	<u>760</u>

4 DEBTORS

	2008 £000	2007 £000
Amounts owed by group undertakings	<u>702</u>	<u>702</u>

Amounts owed by group undertakings which originated prior to Restructuring bear no interest and are repayable on demand.

5 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008 £000	2007 £000
Amounts owed to group undertakings	<u>1,643</u>	<u>1,643</u>

Amounts owed to group undertakings which originated prior to Restructuring bear no interest and are repayable on demand.

British Energy Technical Services Limited
Notes to the Financial Statements
for the year ended 31 March 2008

6 CALLED UP SHARE CAPITAL

	2008 £	2007 £
Authorised		
100 (2007 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
2 (2007 2) ordinary shares of £1 each	<u>2</u>	<u>2</u>

7 RELATED PARTIES

The Company has taken advantage of the exemption under paragraph 3(c) from the provisions of FRS 8 – Related Party Disclosures, on the grounds that it is a wholly owned subsidiary of a group headed by British Energy Group plc, whose accounts are publicly available

8 ULTIMATE PARENT UNDERTAKING

The immediate parent undertaking is British Energy International Limited

The Directors consider that the ultimate parent undertaking and controlling party is British Energy Group plc, which is the parent undertaking of the largest group to consolidate these financial statements. British Energy Bond Finance plc (formerly British Energy Holdings plc) is the parent undertaking of the smallest group to consolidate these financial statements. Copies of the consolidated financial statements of British Energy Group plc and British Energy Bond Finance plc can be obtained from the Company Secretary at British Energy Group plc, or British Energy Bond Finance plc, GSO Business Park, East Kilbride, G74 5PG