

WESTINGHOUSE PROJECTS UK LIMITED

ANNUAL REPORT AND ACCOUNTS

31 March 2008

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COMPANIES HOUSE

Westinghouse Projects UK Limited

DIRECTORS

D L Fisher
D J Powell
L Aylmore

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
PR4 OXJ

DIRECTORS' REPORT

The directors present their report and accounts for the financial year ended 31 March 2008.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £3,364 (2007: £17,000).

The directors do not recommend a final dividend (2007: £nil).

PRINCIPAL ACTIVITIES

The Company's principal activity during the year was to provide commercial nuclear engineering and plant instrumentation and control modernisation services. The Company continues to focus its efforts on the successful completion of the Kozloduy project. That project is expected to generate approximately £37 million of turnover between June 2001 and March 2010. The Kozloduy work, the primary source of turnover for the Company, is expected to be completed by March 2010.

FINANCIAL INSTRUMENTS

The risks arising from price, credit, currency, liquidity and cash flows are not material to the assessment of assets, liabilities and result of the company.

DIRECTORS

The directors who served during the year were as follows:

D L Fisher

D J Powell

I G Clarkson (resigned 31 December 2007)

L Aylmore (appointed 1 January 2008)

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.

DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 234ZA of the companies Act 1985, 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 if that information.

DIRECTORS' REPORT (continued)

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 annual 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.

The Directors' report has been prepared in accordance with the Special provisions of Part VII of the Companies Act 1985 to small entities.

On behalf of the Board



Linda Aylmore
Director
Date

29/1/09

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 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 PROJECTS UK LIMITED

We have audited the Company's accounts for the year ended 31 March 2008 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, the Statement of Cash Flows and the related notes 1 to 14. These accounts have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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

The directors are responsible for the preparation of the Annual Report and the financial statements in accordance with applicable United Kingdom law and Accounting Standards (United Kingdom Generally Accepted Accounting Practice) as set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the accounts 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, are properly prepared in accordance with the Companies Act 1985 and whether 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 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WESTINGHOUSE PROJECTS UK LIMITED

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 profit 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.



Ernst & Young LLP
Registered Auditor
Liverpool

30/1/09

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2008

	<i>Notes</i>	2008 £000	2007 £000
TURNOVER	2	4,014	3,742
Cost of sales		(4,016)	(3,700)
GROSS PROFIT		(2)	42
Administrative expenses		-	34
OPERATING PROFIT	3	(2)	8
Interest receivable and similar income – bank interest		8	17
Interest payable and similar charges		(2)	(8)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		4	17
Taxation on profit on ordinary activities	6	(1)	-
PROFIT FOR THE FINANCIAL YEAR		3	17

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 March 2008

There are no recognised gains or losses other than the profit for the year of £3,364 (2007: profit of £17,000).

Westinghouse Projects UK Limited

BALANCE SHEET

At 31 March 2008

	<i>Notes</i>	2008 £000	2007 £000
CURRENT ASSETS			
Debtors	7	31	806
Cash at bank and in hand		190	174
		<u>221</u>	<u>980</u>
CREDITORS: amounts falling due within one year	8	(25)	(787)
		<u></u>	<u></u>
NET ASSETS		<u>196</u>	<u>193</u>
CAPITAL AND RESERVES			
Called up share capital	9	-	-
Profit and loss account	10	196	193
		<u></u>	<u></u>
EQUITY SHAREHOLDERS' DEFICIT	11	<u>196</u>	<u>193</u>

The financial Statements of Westinghouse Projects UK Limited for the year ended 31 March 2008 were authorised for issue by the Directors on 29/1/09 and the Balance Sheet was signed on behalf of the directors by:



Linda Aylmore
Director

29/1/09

STATEMENT OF CASH FLOWS

For the year ended 31 March 2008

	<i>Notes</i>	2008 £000	2007 £000
NET CASH FLOW FROM OPERATING ACTIVITIES	12a	11	39
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest received		7	9
Bank charges		(1)	-
TAXATION			
UK corporation taxation paid		-	(8)
INCREASE IN CASH FLOW		17	40
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT			
		2008 £000	2007 £000
Increase in cash in the period		17	40
Changes in net funds resulting from cash flows	12b	17	40
Exchange differences		(1)	(18)
Movement in the period		16	22
Net funds at beginning of the period	12b	174	152
Net funds at end of the period	12b	190	174

Westinghouse Projects UK Limited

NOTES TO THE ACCOUNTS

At 31 March 2008

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 profit 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, taxation, 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 tax 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 commercial nuclear engineering and plant instrumentation and control modernisation services.

An analysis of turnover by geographical market is given below:

	2008 £000	2007 £000
Bulgaria	3,991	3,700
United States of America	23	42
	<hr/>	<hr/>
	4,014	3,742
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS (continued)**At 31 March 2008****3. OPERATING PROFIT**

	2008 £000	2007 £000
This is stated after charging / (crediting):		
Exchange loss / (gain)	2	24
Waiver of intercompany balance	-	(17)
	<u> </u>	<u> </u>

The tax charge for 2005/06 was paid by BNFL. Prior to the change in ownership BNFL confirmed in 2006/07 that no repayments were expected from Westinghouse Projects UK Limited relating to tax payments made on the Company's behalf, and therefore the intercompany liability was released.

4. DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

The Directors received no emoluments during the year (2006: £nil).

The Company had no employees during the financial year ended 31 March 2007 (2006: nil).

5. AUDIT FEES

Audit fees are paid by another group company.

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**(a) Taxation on profit on ordinary activities**

	2008 £000	2007 £000
<i>Current tax:</i>		
UK corporation taxation on profits for the period	<u>1</u>	<u>-</u>

(b) Factors affecting the current taxation charge

Differences between the taxation assessed from the standard rate of UK corporation taxation of 30% and actual taxation assessed for the year are reconciled below:

	2008 £000	2007 £000
Profit on ordinary activities before taxation	<u>4</u>	<u>17</u>
Taxation on profit at 30% (2007: 30%)	1	5
Effects of:		
Non taxable income waiver of inter-company balance	<u>-</u>	<u>(5)</u>
Current taxation (credit) / charge for the year	<u>1</u>	<u>-</u>

The company has no deferred taxation asset or liability as at 31 March 2008 (2007: £nil).

NOTES TO THE ACCOUNTS (continued)

At 31 March 2008

6. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)

(c) Items affecting tax charge for future periods

As a result of the Finance Act 2007 the rate of corporation tax for large companies in the UK has reduced from 30% to 28% from 1 April 2008.

7. DEBTORS

	2008 £000	2007 £000
Trade debtors	-	755
Amounts owed by Group Undertaking	23	43
Corporation tax	8	8
	<u>31</u>	<u>806</u>

8. CREDITORS: amounts falling due within one year

	2008 £000	2007 £000
Amounts owed to Group Undertaking	25	787
	<u>25</u>	<u>787</u>

9. SHARE CAPITAL

	2008 £000	2007 £000
Authorised: 100 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid: 1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

NOTES TO THE ACCOUNTS (continued)
At 31 March 2008

10. RESERVES

	Profit and loss account £000
At 1 April 2007	193
Profit for the year	3
	<hr/>
At 31 March 2008	196
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11. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2008 £000	2007 £000
Profit for the financial year	3	17
	193	176
Opening shareholders' deficit		
	<hr/>	<hr/>
Closing shareholders' deficit	196	193
	<hr/>	<hr/>

12a. RECONCILIATION OF OPERATING CASHFLOWS

	2008 £000	2007 £000
Cash inflow from operating activities:		
Operating profit	23	8
(Increase) / decrease in operating debtors and prepayments	1,985	(728)
Increase / (decrease) in operating creditors and accruals	(1,997)	741
Exchange loss / (gain) on cash	-	18
	<hr/>	<hr/>
Net cash flow from operating activities	11	39
	<hr/>	<hr/>

NOTES TO THE ACCOUNTS (continued)**At 31 March 2008****12b. ANALYSIS OF NET DEBT**

	At 1 April 2007	Cash flow	Exchange differences	Other non-cash movement	At 31 March 2008
	£000	£000	£000	£000	£000
Cash at bank and in hand	174	17	(1)	-	190
	174	17	(1)	-	190

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a subsidiary undertaking of Westinghouse Electric UK Limited and the ultimate parent company is Toshiba Corporation. Westinghouse Electric UK 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%	Kazatomprom
3%	Ishikawajima-Harima Heavy Industries Co. Limited

On 1 October 2007, TSB Nuclear Energy Investment UK Limited sold 10% of its investment in Toshiba Nuclear Energy Holdings UK Limited to Kazatomprom.

The smallest and largest group in which the results of the Company 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.

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:

<i>Sale & purchases</i>	2008 £000	2008 £000	2007 £000	2007 £000
	<i>Sales</i>	<i>Purchases</i>	<i>Sales</i>	<i>Purchases</i>
Westinghouse Electric Company LLC	23	3,991	42	3,700
	23	3,991	42	3,700

NOTES TO THE ACCOUNTS (continued)
At 31 March 2008

14. RELATED PARTY TRANSACTIONS (continued)

<i>Debtors and creditors</i>	2008	2008	2007	2007
	£000	£000	£000	£000
	<i>Debtor</i>	<i>Creditor</i>	<i>Debtor</i>	<i>Creditor</i>
Westinghouse Electric Company LLC	23	25	43	787
	23	25	2,504	18,066