

Registered No 4006213

WESTINGHOUSE ELECTRIC COMPANY UK LIMITED
(formerly Westinghouse Projects UK Limited)

ANNUAL REPORT AND ACCOUNTS

31 March 2010

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COMPANIES HOUSE

Westinghouse Electric Company UK Limited

DIRECTORS

D Bonser

M Tynan

D Unsworth

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

Westinghouse Electric Company UK Limited

DIRECTORS' REPORT

The Directors present their report and accounts for the financial year ended 31 March 2010

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £13,137,206 (2009 profit of £50,792), largely due to the AP1000 design certification costs that were incurred from 1 April 2009

The Directors do not recommend a final dividend (2009 £nil)

PRINCIPAL ACTIVITIES

On 13 May 2009 Westinghouse Projects UK Limited was renamed to Westinghouse Electric Company UK Limited. The principal activity of the Company is to form a regional approach to pursuing nuclear business opportunities in the United Kingdom, specifically related to nuclear power plant build based on AP1000 technology and related services business.

In the prior year the Company's principal activity was to provide commercial nuclear engineering and plant instrumentation and control modernisation services. The Company successfully completed the Kozloduy project by 31 March 2009.

FINANCIAL INSTRUMENTS AND TREASURY POLICIES

The Company's financial instruments comprise some cash and short-term loans to and from group undertakings that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

It is, and has been throughout the period under review, the Company's policy that no trading in financial instruments shall be undertaken.

The main risks arising from the Company's financial instruments are interest rate risk and foreign currency risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. The policies have remained unchanged since incorporation.

Interest rate risk

The Company finances its operations through a mixture of retained profits and loans to / from group undertakings. Interest rates in respect of group undertakings are in accordance with Toshiba treasury policies.

Foreign currency risk

As at 31 March 2010 there were no outstanding foreign currency contracts.

Company policies ensure that an overall view of the Group's exchange exposure and foreign currency commitments can be done in conjunction with the Treasury Department of Westinghouse Electric Company LLC.

Westinghouse Electric Company UK Limited

DIRECTORS' REPORT (continued)

DIRECTORS

The Directors who served during the year were as follows

D L Fisher (resigned 16 June 2009)
D J Powell (resigned 16 June 2009)
L Aylmore (resigned 13 May 2010)
D Bonser (appointed 16 June 2009)
M Tynan (appointed 16 June 2009)
D Unsworth (appointed 12 October 2010)

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

POST BALANCE SHEET EVENTS

On 13 May 2010, Linda Aylmore resigned as Director of the Company On 12 October 2010, David Unsworth was appointed as Director of the Company

DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with Section 415(1) of the Companies Act 2006, 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 of that information

The Directors' report has been prepared in accordance with Section 417 of the Companies Act 2006

On behalf of the Board



Dave Unsworth
Director

Date 14/12/2010

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 2006. 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 COMPANY UK LIMITED (FORMERLY WESTINGHOUSE PROJECTS UK LIMITED)

We have audited the financial statements of Westinghouse Electric Company UK Limited (formerly Westinghouse Projects UK Limited) for the year ended 31 March 2010 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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

As explained more fully in the Directors Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed,
- the reasonableness of significant accounting estimates made by the Directors, and
- the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF WESTINGHOUSE ELECTRIC COMPANY UK
LIMITED (FORMERLY WESTINGHOUSE PROJECTS UK LIMITED)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Barry Flynn
Senior Statutory Auditor
for and on behalf of Ernst & Young LLP, Statutory Auditor
Liverpool

21/12/10

Westinghouse Electric Company UK Limited

PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2010

	<i>Notes</i>	2010 £000	2009 £000
TURNOVER	2	-	1,687
Cost of sales		(18,082)	(1,694)
GROSS LOSS		(18,082)	(7)
Administrative expenses		-	-
OPERATING LOSS	3	(18,082)	(7)
Interest receivable and similar income	6	-	78
Interest payable and similar charges	7	(167)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(18,249)	71
Taxation on profit on ordinary activities	8	5,112	(20)
(LOSS) / PROFIT FOR THE FINANCIAL YEAR		(13,137)	51

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 March 2010

There are no recognised gains or losses other than the loss for the year of £13,137,206 (2009 profit of £50,792)

Westinghouse Electric Company UK Limited

BALANCE SHEET
At 31 March 2010

	Notes	2010 £000	2009 £000
CURRENT ASSETS			
Debtors	9	5,422	9
Cash at bank and in hand		<u>434</u>	<u>240</u>
		5,856	249
CREDITORS			
Amounts falling due within one year	10a	(1,067)	(2)
Amounts falling due after one year	10b	<u>(16,679)</u>	<u>-</u>
		(17,746)	(2)
NET (LIABILITIES) / ASSETS			
		<u>(11,890)</u>	<u>247</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000	-
Profit and loss account	12	<u>(12,890)</u>	<u>247</u>
EQUITY SHAREHOLDERS' FUNDS			
	13	<u>(11,890)</u>	<u>247</u>

The financial statements of Westinghouse Electric Company UK Limited for the year ended 31 March 2010 were authorised for issue by the Directors on 14 December 2010 and the Balance Sheet was signed on behalf of the Directors by



Dave Unsworth
Director

14/12/2010

Westinghouse Electric Company UK Limited

STATEMENT OF CASH FLOWS

For the year ended 31 March 2010

	<i>Notes</i>	2010 £000	2009 £000
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	14a	(22,435)	(11)
RETURNS ON INVESTMENT AND SERVICING OF FINANCE			
Interest received		-	3
Interest paid		(4)	-
TAXATION			
UK corporation taxation received / (paid)		<u>5,117</u>	<u>(17)</u>
CASH OUTFLOW BEFORE FINANCING		(17,322)	(25)
FINANCING			
Issues of ordinary share capital		1,000	-
Net movement in long term borrowings		16,679	-
		<u>357</u>	<u>(25)</u>
INCREASE / (DECREASE) IN CASH			
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT) / FUNDS		2010 £000	2009 £000
Increase / (decrease) in cash in the period		357	(25)
Cash inflow resulting from increase in loans from group undertakings		<u>(16,679)</u>	-
Changes in net debt resulting from cash flows	14b	(16,322)	(25)
Exchange differences	14b	(163)	75
Movement in the period		<u>(16,485)</u>	<u>50</u>
Net funds at beginning of the period	14b	240	190
Net (debt) / funds at end of the period	14b	(16,245)	240

Westinghouse Electric Company UK Limited

NOTES TO THE ACCOUNTS

At 31 March 2010

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

On the basis that the Company will continue to pursue business in relation to Nuclear Power Plant build and Nuclear Services and that adequate funding will be provided by its parent company to enable the Company to meet its liabilities as they fall due for a period of not less than 12 months from the date of approval of these accounts, the directors have prepared these accounts on a going concern basis

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 In 2009, turnover was attributable to one continuing activity, the provision of commercial nuclear engineering and plant instrumentation and control modernisation services This was completed at 31 March 2009

An analysis of turnover by geographical market is given below

	2010 £000	2009 £000
Bulgaria	-	1,687
	-	1,687

Westinghouse Electric Company UK Limited

NOTES TO THE ACCOUNTS (continued)

At 31 March 2010

3 OPERATING LOSS

	2010 £000	2009 £000
This is stated after charging		
Employee costs	341	-
Other external and operating charges	17,294	-
Foreign exchange loss	447	7
	<hr/>	<hr/>
	18,082	7
	<hr/>	<hr/>

Employee costs were incurred by Westinghouse Electric UK Holdings Limited and recharged to Westinghouse Electric Company UK Limited during the period

4. DIRECTORS' EMOLUMENTS AND EMPLOYEE INFORMATION

The Directors received no emoluments during the year (2009 £nil)

The Company had no employees during the financial year ended 31 March 2010 (2009 nil)

5 AUDIT FEES

Audit fees are paid on behalf of Westinghouse Electric Company UK Limited by Westinghouse Electric UK Holdings Limited

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £000	2009 £000
Bank interest	-	3
Exchange gain	-	75
	<hr/>	<hr/>
	-	78
	<hr/>	<hr/>

7. INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £000	2009 £000
Inter-company interest payable	3	-
Bank fees	1	-
Exchange losses	163	-
	<hr/>	<hr/>
	167	-
	<hr/>	<hr/>

Westinghouse Electric Company UK Limited

NOTES TO THE ACCOUNTS (continued)

At 31 March 2010

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

(a) Taxation on profit on ordinary activities

	2010 £000	2009 £000
<i>Current tax</i>		
UK corporation tax (credit) / charge for the year	(5,100)	20
Adjustment in respect of prior year	(10)	-
Total current tax	(5,110)	20
<i>Deferred tax</i>		
Origination and reversal of timing differences	(2)	-
Total tax (credit) / charge	(5,112)	20

(b) Factors affecting the current taxation charge

The taxation assessed is at the standard rate of UK corporation taxation of 28% (2009 28%) as follows

	2010 £000	2009 £000
(Loss) / profit on ordinary activities before taxation	(18,249)	71
Taxation on (loss) / profit at 28% (2009 28%)	(5,110)	20
Effects of		
Adjustment in respect of prior year	(10)	-
Other timing differences	10	-
Current taxation (credit) / charge for the year	(5,110)	20

The government announced that the corporation tax rate would reduce from 28% to 27% for the financial year 2011/12 and would reduce by a percent each year thereafter until the rate is 24%. The legislation was not substantively enacted at the Balance Sheet date, therefore deferred tax balances, where relevant, have been calculated at 28%. Had deferred tax balances been calculated using the lower tax rate the impact on the financial statements is not considered to be significant enough to warrant disclosure in the accounts (2009 £nil)

NOTES TO THE ACCOUNTS (continued)

At 31 March 2010

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES (continued)

(c) The deferred taxation asset included in the balance sheet is as follows:

	2010 £000	2009 £000
Included in debtors (note 9)	(2)	-
	(2)	-

9. DEBTORS

	2010 £000	2009 £000
Trade debtors	17	-
Amounts owed to ultimate parent undertaking	1,878	-
Amounts owed by immediate parent undertaking	1,501	9
Amounts owed by fellow subsidiary undertaking	1,754	-
Amounts owed by group undertaking	249	-
Other debtors	1	-
VAT	20	-
Deferred tax	2	-
	5,422	9

10. a CREDITORS: amounts falling due within one year

	2010 £000	2009 £000
Trade creditors	13	-
Amounts owed to fellow subsidiary undertakings	939	-
Amounts owed to group undertaking	106	-
Corporation tax	9	2
	1,067	2

Westinghouse Electric Company UK Limited

NOTES TO THE ACCOUNTS (continued)
At 31 March 2010

10. b CREDITORS: amounts falling due after one year

	2010 £000	2009 £000
Amount owed to parent undertaking	16,679	-
	<u>16,679</u>	<u>-</u>

11. SHARE CAPITAL

	2010 £	2009 £
Authorised 1,000,100 ordinary shares of £1 each	1,000,100	100
Allotted, called up and fully paid 1,000,001 ordinary share of £1	<u>1,000,001</u>	<u>1</u>

12. RESERVES

	Profit and loss account £000
At 1 April 2009	247
Loss for the year	(13,137)
At 31 March 2010	<u>(12,890)</u>

13. RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	2010 £000	2009 £000
Called up share capital	1,000	-
(Loss) / profit for the financial year	(13,137)	51
Opening shareholders' funds	247	196
Closing shareholders' funds	<u>(11,890)</u>	<u>247</u>

Westinghouse Electric Company UK Limited

NOTES TO THE ACCOUNTS (continued)

At 31 March 2010

14a. RECONCILIATION OF OPERATING CASHFLOWS

	2010 £000	2009 £000
Cash flow from operating activities		
Operating loss	(18,082)	(7)
Decrease in operating debtors and prepayments	(5,411)	14
Decrease in operating creditors and accruals	1,058	(25)
Exchange loss	-	7
	<hr/>	<hr/>
Net cash outflow from operating activities	(22,435)	(11)
	<hr/>	<hr/>

14b ANALYSIS OF NET DEBT

	At 1 April 2009 £000	Cash flow £000	Exchange differences £000	Other non-cash movement £000	At 31 March 2010 £000
Cash at bank and in hand	240	357	(163)	-	434
Loans payable to group undertaking	-	(16,679)	-	-	(16,679)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	240	(16,322)	(163)	-	(16,245)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a subsidiary undertaking of Westinghouse Electric UK Holdings Limited and the ultimate parent company is Toshiba Corporation. Westinghouse Electric UK Holdings 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%	National Atomic Company Kazatomprom JSC
3%	IHI Corporation

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.

Westinghouse Electric Company UK Limited

NOTES TO THE ACCOUNTS (continued)

At 31 March 2010

16. 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>	2010 £000	2010 £000	2009 £000	2009 £000
	<i>Sales</i>	<i>Purchases</i>	<i>Sales</i>	<i>Purchases</i>
Springfields Fuels Limited	-	37	-	-
Westinghouse Electric Company LLC	-	16,075	-	35
	-	16,112	-	35

<i>Loans receivable & payable</i>	2010 £000	2010 £000	2009 £000	2009 £000
	<i>Loan receivable</i>	<i>Loan payable</i>	<i>Loan receivable</i>	<i>Loan payable</i>
Westinghouse Electric UK Holdings Limited (formerly Westinghouse Electric UK Limited)	-	16,679	-	-
	-	16,679	-	-

<i>Debtors and creditors</i>	2010 £000	2010 £000	2009 £000	2009 £000
	<i>Debtor</i>	<i>Creditor</i>	<i>Debtor</i>	<i>Creditor</i>
Springfields Fuels Limited	5	3	-	-
Toshiba Nuclear Energy Holdings (UK) Limited	1,878	-	-	-
TSB (Investment Europe) Limited	1,730	-	-	-
Uranium Asset Management Limited	19	742	-	-
Westinghouse Electric Company LLC	249	-	-	-
Westinghouse Electric Company UK Limited (formerly Westinghouse Projects UK Limited)	-	194	-	-
Westinghouse Electric UK Holdings Limited (formerly Westinghouse Electric UK Limited)	1,501	106	9	-
	5,382	1,045	9	-

Westinghouse Electric Company UK Limited

NOTES TO THE ACCOUNTS (continued)
At 31 March 2010

17. POST BALANCE SHEET EVENTS

On 13 May 2010 Linda Aylmore resigned as Director of the Company On 12 October 2010
David Unsworth was appointed as Director of the Company