

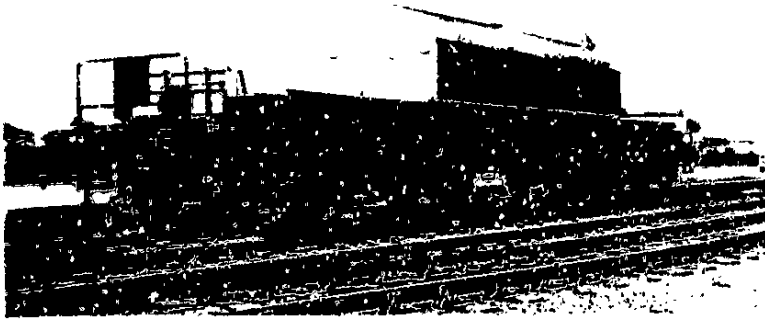
BNFL

Eighth Annual Report & Accounts 1978 | 79

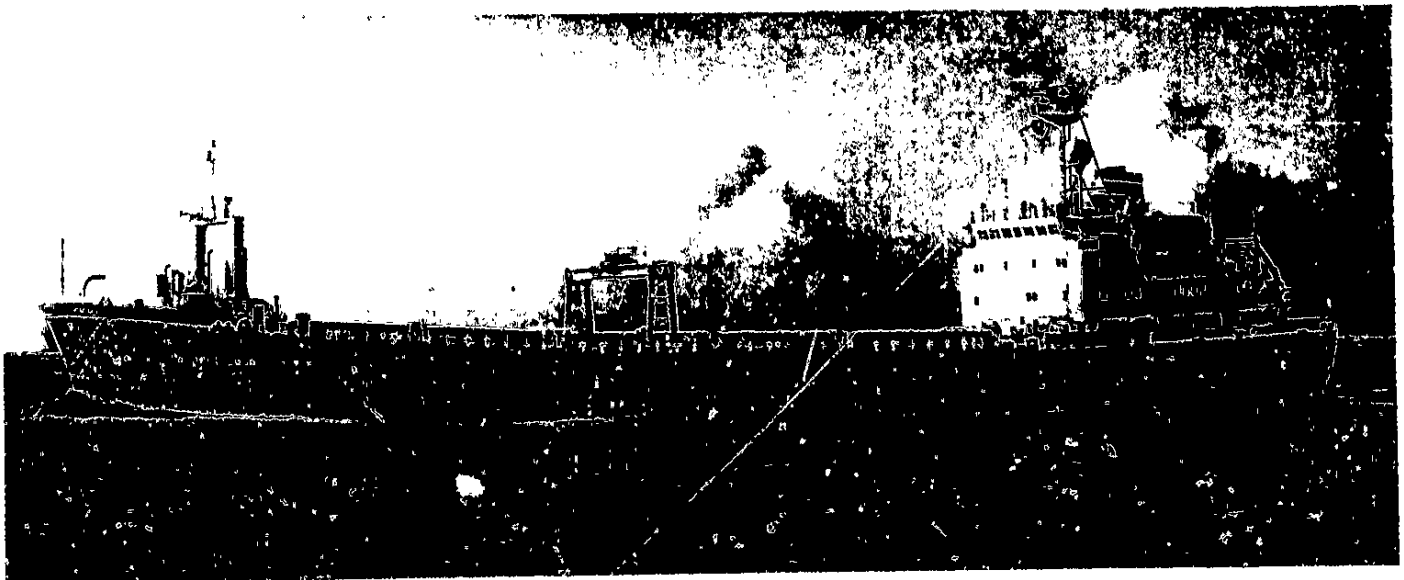


British Nuclear Fuels Limited

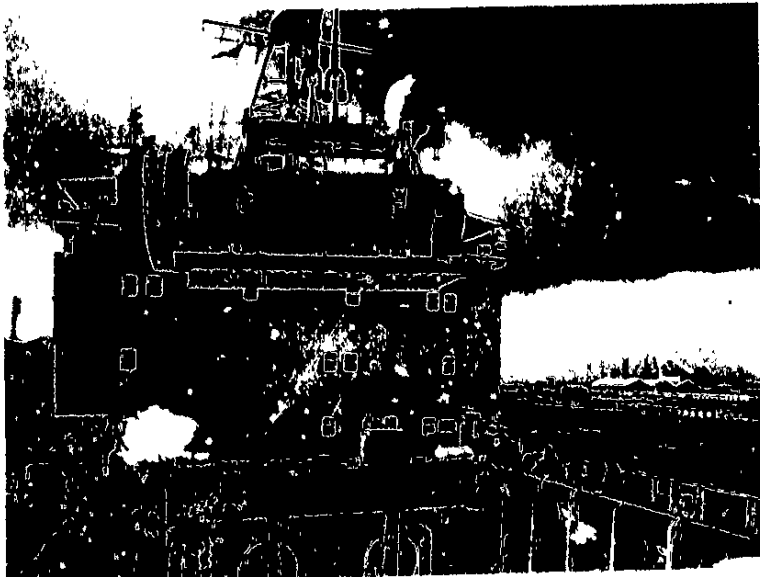
Arrival of Pacific Fisher at Wadsworth for spent fuel transport.



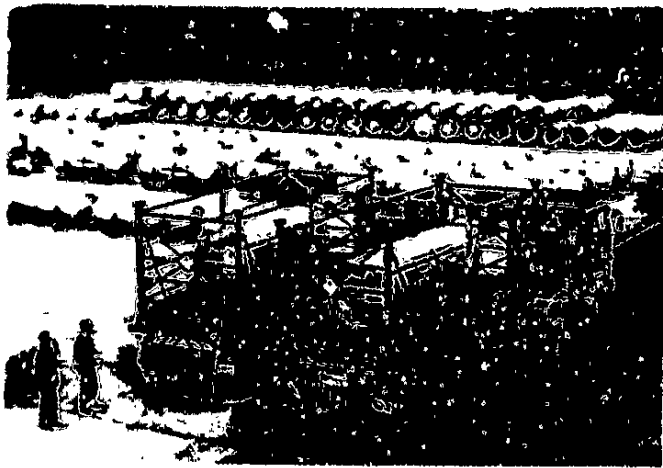
Mrs Con Allday performed the naming ceremony for Pacific Fisher in June 1978. Pacific Fisher was specially converted to carry spent fuel and is operated by Pacific Nuclear Transport Limited, a subsidiary of BNFL.



Pacific Swan, PNTL's first purpose-built ship for the transport of spent fuel, also made its maiden voyage during the year.



Loading empty fuel flasks on to Pacific Swan at Barrow.

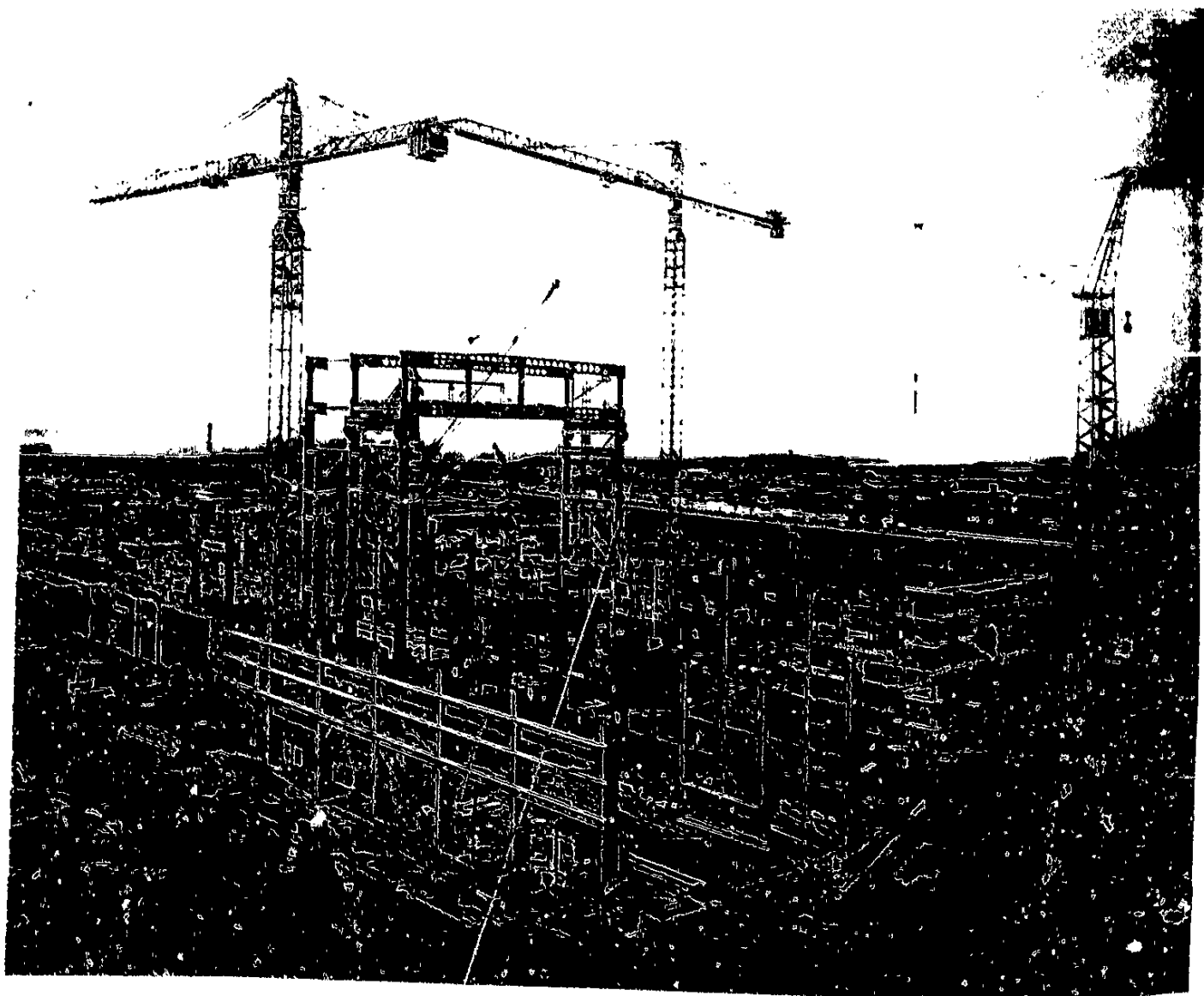


*UF₆ container storage at Springfield.
Exports of UF₆ continue at a steady rate.*



*Alan Johnson, Director, Enrichment Division,
cuts the first sod on the site of the new centrifuge
enrichment plant at Capenhurst.*

Major construction and refurbishing work has continued at Windscale.



**Report
of the Directors
and
Statement of
Accounts**



British Nuclear Fuels Limited

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BNFL

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Board of Directors

BNFL

Sir John Hill

Chairman

C Allday, CBE

Managing Director

Dr D G Avery

Deputy Managing Director

Dr N L Franklin, CBE

J R S Morris

P Shelbourne

J Tatlock, MBE

Secretary

H E Bolter

Registered Office

Risley, Warrington, WA3 6AS

Auditors

Coopers & Lybrand
Abacus House
Gutter Lane
Cheapside
London EC2V 8AH

Bankers

National Westminster Bank Ltd
55 King Street
Manchester M60 2DB

Solicitors

Freshfields
Grindall House
25 Newgate Street
London EC1A 7LH

Alsop, Stevens, Batesons & Co
India Buildings
Water Street
Liverpool L2 0NH

Notice of Meeting



The EIGHTH ANNUAL GENERAL MEETING of British Nuclear Fuels Limited will be held at 11 Charles II Street, London, SW1Y 4QP, on Wednesday, 25 July 1979 at 2.30 pm for the following purposes:

- 1 To receive and consider the Directors' and Auditors' Reports and the Statement of Accounts for the year ended 31 March 1979;
- 2 To declare a dividend;
- 3 To re-appoint Coopers & Lybrand as Auditors under Section 14(1) of the Companies Act 1976;
- 4 To authorise the Directors to fix the remuneration of the Auditors;
- 5 To transact any other ordinary business proper to an Annual General Meeting.

By order of the Board

H E Bolter
Secretary

Risley
Warrington
29 June 1979

Highlights

BNFL

Except where otherwise stated all figures in these Accounts are expressed in millions of £'s (£M).

	1979 £M	1978 (Restated) £M
SALES	237.2	161.7
TRADING PROFIT	31.8	19.1
PROFIT BEFORE TAXATION	13.7	5.4
PROFIT FOR YEAR	12.5	4.7
DIVIDEND	2.2	1.3
PROFIT RETAINED	10.3	3.4
CAPITAL EXPENDITURE	59.3	42.0
NET ASSETS EMPLOYED	284.7	222.2
SHAREHOLDERS' INTEREST (Average for year)	57.3	50.4
PROFIT FOR THE YEAR RELATED TO AVERAGE SHAREHOLDERS' INTEREST	21.8%	9.3%
NUMBER OF EMPLOYEES (Average for Year)	13,047	12,215

Chairman's Review of the Year

- 1 This has been a year of positive achievement for the Company in several important respects. At Windscale the reprocessing rate of magnox fuel improved substantially and the major programme of renovation and new construction which has been put in hand at the Works is beginning to show encouraging results. There was further expansion of centrifuge enrichment capacity at Capenhurst, and this was built to time and cost, while Springfields reached a new milestone with the production of the one millionth CAGR fuel pin and the three millionth magnox fuel element. In all, the Company continued to provide an efficient and reliable fuel service for the British nuclear electricity programme and increasingly for overseas utilities, meeting the Company's objectives, which are outlined on page 12. Profits also improved, enabling your Directors to recommend an increased dividend payment to the Government.
- 2 The energy value of the fuel supplied by the Company which was used to produce electricity during the year was equivalent to about 14 million tons of coal or about 8 million tons of oil. This represents an important contribution to energy resources at a time when there are growing indications of a developing shortage and the need for conservation is becoming increasingly apparent. This need is recognised by the Company and some of the steps which it took to reduce its own energy consumption during the year are detailed in the Directors' Report. Support for energy conservation is in no way inconsistent with the continued belief, shared by my colleagues, that a steady and sensible expansion of nuclear power is desirable if the future energy requirements of this country and, indeed, of the world are to be met and if there is not to be a reduction in industrial activity, employment and living standards.
- 3 Reprocessing which takes place at Windscale makes a significant contribution to the sensible use of energy by recycling unused uranium for use in today's nuclear power reactors and by separating plutonium for future use in the fast reactors which will be needed in due course. Windscale continues to attract a great deal of attention and in this context I am pleased to report that during the year the Works achieved a further reduction in discharges of Caesium 137 to the Irish Sea. Concern has been expressed about these discharges in the past, although they have always been within the statutory authorisations. In addition, while maintaining a higher throughput of fuel in the separation plants, the factory has also succeeded in reducing the average radiation exposure of employees.

Financial Results

- 4 It can be seen in the Accounts that turnover increased again in 1979. In the case of the home market the increase is mainly the result of increased capital employed and costs, but was aided by an increase in sales of UF₆ conversion and enrichment services. Export sales also increased, principally in the areas of UF₆ conversion services and the transport of irradiated fuel.

- 5 The Trading Profit shows an increase on last year (£M32 compared with £M19, as restated). This arises mainly from increased profits on nuclear fuel services in the UK. Trading Profit can be expressed as a return on capital employed. On this basis, this year's figure would be 13% (1978 10%). However, the management of capital is itself a matter to be reflected in consideration of the Company's efficiency as it partly determines the extent to which the Company is able to offer a return to the shareholder similar to that earned by comparable sectors of UK industry. It therefore seems more appropriate in the circumstances of BNFL to present the financial results in terms of the Profit for the Year as a percentage return on shareholders' interest. In these terms the figure is 22% (1978 9%).
- 6 The new UK standard on accounting for deferred taxation has now been adopted and the comparative figures for 1978 have been adjusted accordingly.
- 7 The Group continues to face a heavy capital investment programme and during the year further projects totalling more than £M100 were authorised. Much of this capital expenditure will benefit UK industry.
- 8 Looking to the future the indications are that on-going domestic and overseas business will be sufficient to earn a level of profit judged adequate to maintain future viability.

9 Inflation Accounting

As I have commented in previous reports, for much of the Company's trading, profit is determined by reference to the historical cost of capital employed. This and the other terms on which this business is undertaken make it inappropriate to apply the Hyde Guidelines to the cost plus trading areas. Application of these guidelines to the other areas of the Company's business would however have resulted in an adjusted Trading Profit of £M31.0 compared with £M31.8 in the published historic accounts, as follows:—

	£M	£M
Trading Profit for the year as in historical accounts		31.8
Less Adjustments		
Depreciation	1.1	
Cost of Sales	0.6	
Gearing	(0.9)	0.8
Adjusted Trading Profit for the year		31.0

The implications of the new exposure draft on inflation accounting issued for comment by the Accounting Standards Committee are being considered.

Fuel Manufacture and Associated Services

- 10 The fabrication and delivery of the fuel to service the UK magnox stations, and also the magnox stations in Italy and Japan, again continued throughout the year. The high reliability of the fuel and the longer fuel life which were reported in earlier reviews have been maintained.
- 11 Uranium dioxide fuel continues to be manufactured for the UK AGR stations. The operating experience of this fuel in the Hinkley Point B and Hunterston B stations has been encouraging. Replacement fuel has also been manufactured for the Dodewaard BWR in the Netherlands.
- 12 Some five hundred tonnes of uranium dioxide powder were delivered to the Franco-Belgian Fuel Manufacturing Company (FBFC) during the year, and contracts for additional quantities have been secured for the next three years. The plant constructed by FBFC in France under licence from BNFL, using the Integrated Dry Route (IDR) process, is now in production having been satisfactorily commissioned in the early months of 1979.
- 13 There has been considerable interest from overseas in BNFL's IDR process and during the year a Technology Agreement was concluded licensing the Westinghouse Electric Corporation to use the BNFL process in the USA.
- 14 A programme to expand the capacity of the BNFL plants at Springfields for the conversion of uranium oxides to UF_6 is under way. During the year overseas deliveries of UF_6 continued at a steady rate and amounted to approximately one-fifth of the available market. In addition, substantial quantities of depleted UO_3 from Windscale were converted to UF_6 for enrichment at Capenhurst.

Enrichment

- 15 The first full-scale centrifuge enrichment plant at Capenhurst continues to operate well and enriched uranium is being delivered to URENCO customers on schedule.
- 16 In the past year URENCO has signed a number of additional long-term enrichment contracts to supply operating power stations. The total URENCO order book now amounts to some £M1300. The additional business has led to the placing of an order for a second and larger centrifuge plant to be built at Capenhurst. Planning permission has been granted and site work has begun. This new investment is creating additional employment. Collaboration with our German and Dutch partners on advanced centrifuge development continues under the Treaty of Almelo.

- 17 The Capenhurst Diffusion Plant operated satisfactorily throughout the year, producing enriched uranium for the AGR power stations of the UK Generating Boards. The plant also re-cycled uranium recovered after use in the magnox power stations, so reducing the requirements for uranium ore.

Fuel Reprocessing

- 18 Reprocessing of irradiated magnox fuel from both UK and overseas reactors continued and a major engineering refurbishing programme at Windscale was completed successfully in the shut-down period May/September 1978, well within the planned timescale. The refurbishing included the changeover to, and the commissioning of, a new dissolver cell in the main reprocessing plant, together with major maintenance of the decanning plant, which had been operating almost continuously for two years. Plant performance improved noticeably over the year. The measures being employed to reduce Caesium activity in the storage pond water continue to improve and discharges of activity to sea have been further reduced.
- 19 Design and development work has continued on the storage ponds and reprocessing plant for irradiated thermal oxide fuel (THORP), and the preparation of the site is in hand. A number of development facilities are coming into service which will allow the testing of equipment designs for the reprocessing plant; alternative designs for fuel receipt and storage facilities are also being evaluated. In addition work is in hand to expand the existing Windscale LWR fuel storage capability, and a new storage pond for irradiated AGR fuel will be coming into operation shortly.
- 20 Two events at Windscale call for special comment. The first was an incident involving the generation of excess hydrogen in the Windscale storage silos for magnox cladding waste. This was controlled without harm to BNFL personnel or to the public, but involved a temporary suspension of operations. The second was the detection during the year of a leakage of radioactive liquor to the ground. This is a matter that we do not take lightly, but again it has not resulted in any harm to BNFL personnel or to the public, or damage to plant and equipment. Work is under way to develop measures to avoid repetition of such incidents.
- 21 A full programme of development work on the vitrification of highly active wastes has continued. Collaboration is being maintained with developments in other countries, so that the Company can adopt the best features of the available technology for the first production plant.
- 22 The world-wide transport of spent fuel for reprocessing has continued satisfactorily.

Electricity Generation

- 23 The Calder Hall and Chapelcross reactors have continued to operate with their characteristic trouble-free performance. Some loss of electricity generation continued throughout the year because one of the Calder reactors has remained out of action in order to relieve the pressure on the available storage space for used magnox fuel. It will be returned to operation as soon as circumstances permit.

People

- 24 I foreshadowed in my review last year the retirement of Mr Cyril Buck from full time service. This took place on 30 June 1978, when Mr Buck left the Board, but he has continued to play a valuable part in our business by his contribution to the International Fuel Cycle Evaluation Study. The Board also lost through retirement the services of Mr Arthur Scott, who has been Secretary to the Company from its incorporation until the end of March 1979. It was particularly gratifying to note the award of the OBE to Mr Scott at the beginning of this year, which suitably marked his many years of distinguished service to the nuclear industry. He has been succeeded as Company Secretary by Mr Harold Bolter, formerly Director of Information Services. The year also saw the retirement of Mr Philip Bundy, who had been Director of Finance for the Company since its formation. He has been succeeded by Mr John Hayles, formerly Manager, Financial Policy and Planning.
- 25 Many other colleagues have retired during the year and I want to give them my good wishes and thanks for long and valuable service. At the same time I welcome the many new recruits who have joined us. The Company's future depends on them.
- 26 This has been a year of expansion and increased work load. Although there have been some industrial relations problems, largely caused by the effects of pay restraint and inflation, there have also been notable improvements in productivity. I would like to express my sincere thanks for the loyalty and hard work at all levels which has enabled this most encouraging progress to be made.

Company Objectives

BNFL

The Company's primary objective is to provide an efficient fuelling service to the nuclear power stations of the UK Generating Boards and to meet the needs of other domestic customers. In addition, the Company seeks business overseas in order to achieve a greater measure of growth than that offered by the UK market alone, and to enable domestic customers to benefit from this expansion.

All these activities are pursued subject to two overriding conditions, first, that standards of safety and environmental protection are maintained well within statutory requirements and secondly, that overseas business is only undertaken within the guidelines laid down by Government to avoid increasing the risk of proliferation of nuclear weapons.

In structuring its business, the Company seeks security for its present employees and, through expansion, seeks both to extend their opportunities and offer additional employment prospects.

The Company's long term financial objective is to offer a return to its shareholders similar to that earned by comparable sectors of UK industry coupled with maintaining a high degree of internal self-financing so as to minimise its requirements for external funds.

Report of the Directors

for the year ended 31 March 1979

- 1 The Directors of British Nuclear Fuels Limited have pleasure in submitting to the shareholders their Eighth Annual Report, together with the audited Accounts for the year ended 31 March 1979.
- 2 The full accounts are set out on pages 19 to 34. The highlights are summarised on page 6.

3 Turnover and Profits

The contributions to turnover and profits made by the different classes of business were as follows:

	Sales		Trading Profit	
	1979	1978	1979	1978 (Restated)
	£M	£M	£M	£M
Nuclear Fuel Services (including those provided to the UK Generating Boards)	209.0	143.6	37.2	26.8
Electricity	28.2	18.1	(5.4)	(7.7)
	<u>237.2</u>	<u>161.7</u>	<u>31.8</u>	<u>19.1</u>

The increase in profit on Nuclear Fuel Services arose mainly from domestic trading. In spite of an increase in selling prices during the year electricity sales continue to show a loss, largely due to the continuing closure of one of the Calder reactors, necessary to reduce the load on irradiated fuel storage and reprocessing facilities. Costs in both years include provisions for decommissioning of reactors.

4 Deferred Taxation

The Group's accounting policy in respect of deferred taxation has been changed in order to comply with the requirements of the new Accounting Standard for Deferred Taxation. As a result there is no liability to deferred tax in the current year and the full amount of deferred tax at 31 March 1978 has been released to retained profit.

5 Dividend

In the light of the profit situation at the end of the year the Directors recommend that a dividend of 6¾% should be paid.

6 Finance

- a) Group capital expenditure of £M59.3 (Parent £M53.4) has been incurred during the year, mainly on upgrading reprocessing facilities at Windscale.
- b) During the year the Company made no further drawings from the £M100 loan agreement negotiated in 1976/77. £M50 has so far been borrowed under the agreement and the drawing period has been extended to 31 March 1981. The Company has also established a long-term line of credit with the European Investment Bank. An initial loan of £M5 has been taken under this facility.
- c) Capital expenditure authorised at the end of the year was £M299. This reflects the major investment programme of the Group. The finance for this programme will be met largely from internally generated funds and advances from customers, the balance being obtained from loans supported where necessary by the provisions of the Nuclear Industries Finance Act 1977, or in the form of additional equity investment.

7 Activities

There were no significant changes in the main activities of the Group, which are:—

- a) *Nuclear Fuel Services*
The conversion and enrichment of uranium; the manufacture and supply of uranium and plutonium-based fuels and the provision of related fuel cycle services for nuclear power stations; and the reprocessing of nuclear fuel after use and associated waste treatment and storage.
- b) *Electricity Generation*
The supply of electricity to the English and Scottish grids from the Calder and Chapelcross nuclear power stations.
- c) *Other Activities*
These include research, development and the design and construction of plant and equipment associated with the Group's activities.

8 Provisions and Deferred Liabilities

As last year, an assessment of liability is made, where possible, based on the latest information available, but in other cases the existence of the potential liability can only be noted. These latter, very long term, cases arise either because development work has not yet reached the stage where firm assessments can be made or because the scope of the work required, or the extent to which liability will fall on the Company, cannot at present be determined. However, the Board is satisfied that any potential additional amounts which might be required can be met in future years without impairing the Company's viability.

a) *Reprocessing Contracts*

As stated in last year's Annual Report, discussions were taking place at the year end on certain unprofitable reprocessing contracts on which it was not possible to determine whether any provision needed to be made for future losses. During 1978/79 it has been possible to establish satisfactory terms for some of these contracts. Discussions on the remainder of the contracts are in progress and the Company intends to conclude these as soon as possible. However, until the discussions concerned are actually completed it is still not possible to determine with finality whether any provision needs to be made in these accounts for any losses which may arise in future years on these contracts.

b) *Long Term Storage of Waste Products*

Work is proceeding towards the introduction of a vitrification process, close links being maintained with overseas organisations working in the same field. As in previous years, amounts have been set aside in respect of the estimated cost of vitrifying the Group's waste products arising since the formation of the Company on 1 April 1971. The vitrification of these waste products is not expected to begin until the late 1980's. Further technical developments might affect the process ultimately used and, accordingly, the ultimate cost. On the basis of the latest technical assessment, however, an amount of £M18.0, computed at current price levels, has been set aside at 31 March 1979 as a deferred liability. No provision has been made for the potential costs of vitrifying the waste products on hand at the date of formation of the Company. The amounts involved would be substantial. HM Government has informed the Company that it will be prepared to discuss the question of how such costs should be met when they arise.

c) *Treatment of Other Wastes and Residues*

Development is in progress on improved methods of treatment of waste and residues to condition the waste into a more suitable form for storage and disposal. As this work continues, the need may be established for a substantial increase in the investment in this activity.

d) *Decommissioning*

It is the Company's policy to close down radioactive facilities which have reached the end of their useful lives and to maintain them in an acceptably safe condition on the assumption that the Company will continue to occupy the site on which the facility is located. The closure costs will be passed on to customers by way of a specific charge at the time of decommissioning where this is in accordance with the sales contracts concerned. Where this is not the case provision is made during the life of the facility involved. The reactors at Calder and Chapelcross fall into this latter category and a provision is now made in the accompanying accounts for such costs.

BNFL

e) *Vitrification Research and Development*

Last year it was reported that agreement in principle had been reached between the Company, the Generating Boards and the United Kingdom Atomic Energy Authority (UKAEA) to share the future costs of developing a vitrification process. The UKAEA's contribution is subject to the approval of the Government and discussions are still continuing. In the meantime, it has been considered prudent in these accounts to write off the one-third share (£M1.9) attributable to the UKAEA in addition to the one-third share borne by the Company.

9 Exports

Export sales during the year totalled £M30.0 (1978 – £M23.2).

10 Personnel

The weekly average number of persons employed by the Company during the year was 13,047 (1978 – 12,215) and their aggregate remuneration during the year was £M65.2 (1978 – £M52.1).

11 The Board of Directors

The names of the Directors of the Company at the end of the year are set out on page 4. All served throughout the year. On 30 June 1978 Mr C Buck resigned his appointment as Director of the Company on his retirement.

12 Directors' Shareholdings and Interests

No Director held, at any time during the year, any shares in or Convertible Loan Stock of the Company, or of its subsidiaries, or of any associated Company (apart from holdings of shares as nominees in Combustibili Nucleari SpA by those who are Directors of that Company, as required by Italian Law). No Director had during the year any material interest in a contract which is significant in relation to the business of the Company or of the Group, although Sir John Hill was a full time member and Mr C Allday and Dr N L Franklin were part time members of the UKAEA, with which the Group has a number of substantial contracts.

13 Contributions for Political or Charitable Purposes

No contributions were made for political purposes. Contributions to charities during the year amounted to £7,966 (1978 – £5,491).

14 Industrial Accidents

It is considered that the frequency of lost time accidents per 100,000 industrial man hours worked is a more realistic criterion than frequency per 1,000 industrial employees. The frequency for 1979 is then 2.1 which may be compared with the following figures in earlier years.

1978	2.0
1977	2.1
1976	2.0

While there can be no complacency, these rates correspond fairly closely to the latest available figures for the Chemical and Allied Industries.

15 Company Plan

The Company annually submits a forward Plan covering the next ten years to the UKAEA and to the Department of Energy. Approval of the Plan is the mechanism by which the Department gives its agreement to the Company's forward investment programmes. The 1978 Plan was approved during the course of the financial year.

16 Energy Saving

The Company has always been conscious of the need to conserve energy. Nevertheless, efforts to further improve the efficiency of energy usage are continuing. Energy Conservation Officers have been nominated at all the Company's sites and, as a pilot scheme for the whole Company, a full energy audit has been carried out at Springfields, where a full-time energy conservation team has been appointed. Arising from this audit, the immediate objective is to produce additional energy savings of 10 per cent within the next two years. The measures identified at Springfields include a gas conversion scheme which will not only save energy but substantially reduce oil fuel requirements in particular.

17 Auditors

A resolution to reappoint the Auditors, Coopers & Lybrand, will be proposed at the General Meeting in accordance with Section 14(1) of the Companies Act 1976.

By order of the Board
H E Bolter, *Secretary*
29 June 1979



CONFIDENTIAL

- 1 We report on the accounts set out on pages 19 to 33.
- 2 a) As explained in Accounting Policies 3 and 4, because of the long-term nature of the potential liabilities in respect of the completion of certain sales contracts, the vitrification of post 1971 waste and the decommissioning of radioactive facilities, provisions made therefor have been based on latest technical assessments computed at current price levels.
b) For the reasons given in paragraph 8 of the Directors' Report, no provision has been made for any losses which might arise in future years on certain reprocessing contracts or the vitrification costs of pre 1971 waste.
- 3 As stated in Note 4, the provision for losses in partnerships of £M0.6 is based on accounts which have not yet been agreed by the partners.
- 4 With these reservations, in our opinion, the accounts give a true and fair view of the state of affairs at 31 March 1979 and of the profit and source and application of funds for the year ended on that date, according to the historical cost convention, and comply with the Companies Acts 1948 and 1967.

Coopers + Lybrand

Coopers & Lybrand
Chartered Accountants

London
6 July 1979

1 Consolidation

- a) The consolidated accounts include the accounts of British Nuclear Fuels Limited and of its subsidiary companies, as listed on page 34. The accounts of the subsidiary companies are co-terminous with those of British Nuclear Fuels Limited.
- b) The consolidated accounts also include the Group's share of the profits less losses (insofar as they are not covered by Government grants available) shown by the accounts of the associated companies listed on page 34. The accounts of the associated companies are made up to 31 December in each year.
- c) Foreign currencies are converted at the rates of exchange ruling at the Balance Sheet date. Unrealised exchange differences on year end balances are taken to reserves; realised exchange differences are dealt with in the Profit and Loss account.

2 Sales

Sales represent the total invoiced value of products delivered and services rendered to outside customers including the United Kingdom Atomic Energy Authority (UKAEA).

3 Long Term Sales Contracts

In respect of contracts entered into for the provision of nuclear fuel services extending over a period of years, profit is taken in the year in which the services are provided and invoiced.

Provision is made for any losses which are expected to arise on contracts entered into at the Balance Sheet date whether or not work on these contracts has commenced. Where these contracts are not expected to be completed for some years this provision is based on the latest assessment of the way in which the contractual commitments are to be met and is computed at present price levels. On this basis the amount of provision required is reviewed annually to take account of changes in the year and adjustments to the provision arising from this review are taken up in the accounts.

4 Long Term Storage and Decommissioning

- a) Provision is made for the estimated cost of vitrifying, beginning in the late 1980's, the Group's waste products arising since its formation on 1 April 1971. Provision is not made for any such costs in respect of waste products arising from operations prior to the formation of the Company on 1 April 1971.
- b) To the extent that the cost is not considered to be recoverable from customers by way of a specific charge at the time of decommissioning, provision is made for the estimated cost of decommissioning the Group's radioactive facilities by annual instalments over the period assessed as their useful lives.
- c) The provisions for long-term storage and decommissioning are based on the latest technical assessments of the processes and methods likely to be used and are computed at present price levels. The provisions are reviewed annually to reflect any known changes in techniques and price levels and any adjustments to the provisions that are required as a result of such changes are taken up in the accounts for the year in which they arise.

5 Research and Development Expenditure

Research and Development expenditure on projects not supported by firm orders is written off in the year in which it is incurred. Expenditure on products for which firm orders have been received is held as part of the value of stocks and work in progress for recovery against the sales value of the initial orders.

6 Development and Exploitation of Centrifuge Process

Government grants received in respect of the development and exploitation of the centrifuge process are treated as a deferred credit and transfers are made to Profit and Loss account against related expenditure written off.

7 Fixed Assets

- a) Depreciation is calculated to write off the historic cost of assets, generally by equal annual instalments, over the period assessed as their useful life. The estimated lives of the major categories of fixed assets are: Buildings 10 – 60 years
Plant and Machinery 10 years
Provision is not made for depreciation on freehold land or assets in course of construction.
- b) Regional Development Grants received under the Industry Act 1972 are treated as a deferred credit and transfers are made to Profit and Loss account, generally by equal annual instalments, over the assessed useful life of the assets to which they relate.

8 Stocks and Work in Progress

Stocks and work in progress are valued at cost or net realisable value whichever is the lower. Cost where appropriate includes a proportion of all factory overhead expenses.

9 Debtors

Known bad debts are written off and specific provision is made for any considered to be doubtful of collection.

10 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences calculated on the liability method, except in respect of any taxation reduction which can reasonably be expected to continue for the foreseeable future. The full potential liability and the major factors contributing to reductions in the provision are set out in note 19.

Consolidated Profit and Loss Account

for year ended 31 March 1979

	1979 £M	1978 (Restated) £M
Sales	237.2	161.7
Trading Profit (Note 2)	31.8	19.1
Research and Development Written off	9.7	7.8
	22.1	11.3
Interest (Note 3)	8.7	6.1
	13.4	5.2
Share of Profits less Losses of Associated Companies	0.3	0.2
Profit before Taxation	13.7	5.4
Taxation (Note 8)	1.3	0.8
Profit after Taxation	12.4	4.6
Loss attributable to Minority Interest	0.1	0.1
Profit for the Year	12.5	4.7
Dividend	2.2	1.3
Profit retained	10.3	3.4
Retained by		
British Nuclear Fuels Limited	10.0	3.6
Subsidiary Companies	0.2	(0.3)
Associated Companies	0.1	0.1
	10.3	3.4
Statement of Retained Profit/Reserves		
Retained Profit for the Year	10.3	3.4
Unrealised exchange differences	(0.2)	0.3
Retained Profit/Reserves at Beginning of the Year		
As previously reported	22.9	18.7
Prior year adjustments (Note 9)	(3.4)	(2.9)
As restated	19.5	15.8
Retained Profit/Reserves at End of Year	29.6	19.5

The Accounting Policies on pages 19 and 20 and notes on pages 24 to 32 form an integral part of the accounts.

The Auditors' Report is on page 18.

Consolidated Balance Sheet

to 31 March 1979

BNFL

	1979		1978 <i>Restated</i>
	£M	£M	£M
Net Assets Employed			
Fixed Assets (<i>Note 10</i>)		152.6	102.8
Investments			
Associated Companies (<i>Note 11</i>)	0.8		0.8
Advances to Partnerships (<i>Note 12</i>)	25.8		24.8
		26.6	25.6
		179.2	128.4
Current Assets (<i>Note 13</i>)	195.0		161.3
Less Current Liabilities and Provisions (<i>Note 14</i>)	89.5		67.5
Net Current Assets		105.5	93.8
		284.7	222.2
Financed by			
Issued Share Capital (<i>Note 15</i>)		32.7	32.7
Reserves		29.6	19.5
Shareholders' Interest		62.3	52.2
Minority Interest in a Subsidiary Company		0.3	0.4
Loans (<i>Note 17</i>)		97.2	83.8
Deferred Liabilities (<i>Note 18</i>)		85.8	48.8
Government Grants held as Deferred Credit		39.1	37.0
		284.7	222.2

John M Hill }
C Allday } *Directors*

John M Hill
C. Allday

The Accounting Policies on pages 19 and 20 and notes on pages 24 to 32 form an integral part of the accounts.

The Auditors' Report is on page 18.

Parent Company Balance Sheet

31 MARCH 1979

	1979	1978 (Restated)
	£M	£M
Net Assets Employed		
Fixed Assets (Note 10)		140.1 95.8
Interests in Subsidiary Companies (Note 20)		4.3 (0.1)
Investments		
Associated Companies (Note 11)		0.5 0.6
	144.9	96.3
Current Assets (Note 13)	188.6	158.5
Less Current Liabilities and Provisions (Note 14)	85.3	61.3
Net Current Assets	103.3	97.2
	248.2	193.5
Financed by		
Issued Share Capital (Note 15)	32.7	32.7
Reserves (Note 16)	31.7	19.7
Shareholders' Interest	64.4	52.4
Loans (Note 17)	85.1	82.0
Deferred Liabilities (Note 18)	85.8	48.8
Government Grants held as Deferred Credit	12.9	10.3
	248.2	193.5

John M Hill

C Allday

} Directors

John M Hill
C. Allday

The Accounting Policies on pages 19 and 20 and notes on pages 24 to 32 form an integral part of the accounts.

The Auditors' Report is on page 18.

Notes on the Accounts

BNFL

- 1 During the year there have been changes in accounting policies (*see Note 9*) and the relevant 1978 figures have been restated.

2 Trading Profit

- a) Trading profit earned from the supply of Nuclear Fuel Services to the UK Generating Boards is determined on the basis of an agreed rate of return on capital employed in the provision of these services, taking into account certain efficiency factors.

- b) Trading profit is arrived at after crediting:

	1979 £M	1978 £M
Regional Development Grants released	1.7	1.9

and after charging:

Additional amount required to reflect known changes, in techniques and price levels, on opening provisions and deferred liabilities

Provision for losses in Urenco Partnerships

Directors' Emoluments

— Fees £3,000 (1978 £2,500)

— Management

Depreciation

Royalties to UKAEA

Contributions to Superannuation funds

(*See Note 5*)

Auditors' Remuneration £25,000 (1978 £22,000)

(Parent £22,500 (1978 £20,000))

3 Interest

Interest on loans: repayable within five years
repayable after five years

Interest on bank overdraft and short term loans

Less Interest from temporary investments
(1978 £28,000)

4 Partnerships

The provision for losses in the Urenco Partnerships (*Note 2(b)*) is based on accounts which have not yet been agreed by the Partners and so may be subject to amendment. The provision is stated after crediting £M0.5 (1978 £M1.1) Government grant in respect of the Centrifuge Project.

5 Superannuation Contributions

Employees of the Company are members of the appropriate UKAEA superannuation schemes each of which is subject to periodic valuation. The Company's contributions in 1978/79 were as follows:

	£M
Principal non-industrial scheme	3.5
Protected persons scheme	1.7
Industrial scheme	2.3
	7.5

The above contributions include the amounts necessary to make good the Company's share of the deficits identified at the last actuarial valuations in 1975, 1976 and 1977 respectively.

6 Directors' Emoluments

The emoluments of the Directors in the various ranges are as follows:

	1979 Number	1978 Number
Range		
Nil to £2,500	4	4
£2,501 to £5,000	1	—
£15,001 to £17,500	—	3
£17,501 to £20,000	3	1
Emoluments of the Chairman	Nil	Nil
Emoluments of the highest paid Director	£19,303	£17,766
In 1978 one Director waived fees of £500		

7 Employees Earning more than £10,000 per annum

	1979 Number	1978 Number
£10,001 to £12,500	132	97
£12,501 to £15,000	64	22
£15,001 to £17,500	9	4

8 Taxation

	1979 £M	1978 £M
Overseas Taxation	0.2	0.1
Associated Companies	0.2	0.1
	0.4	0.2
Advance Corporation Tax	0.9	0.6
	1.3	0.8

No charge for corporation tax on the profits of the year arises because of first year allowances. The tax deferred is not expected to be payable in the foreseeable future. (See Note 19).

9 Prior Year Adjustments

The prior year adjustments which have reduced retained profit at the beginning of the years 1978 and 1979 are made up as follows:

	1979	1978
	£M	£M
Deferred Taxation	27.2	22.0
Decommissioning	(30.6)	(24.9)
	<u>(3.4)</u>	<u>(2.9)</u>

a) *Deferred Taxation*

Previously, full provision was made for deferred taxation on the basis that an ultimate liability would materialise. The Group's accounting policy on deferred taxation has been changed in order to comply with the requirements of Statement of Standard Accounting Practice No 15.

The effect of the change has been to release the full amount of deferred taxation at 31 March 1978 of £M27.2 to retained profit. In restating the results for the year ended 31 March 1978, the charge for taxation has been reduced by £M5.2 (being the amount transferred to deferred tax for the year £M5.8 less Advance Corporation Tax now required to be written off). The remainder, £M22.0, relating to the year ended 31 March 1977 and earlier years has been released to retained profit at that date.

b) *Decommissioning*

As stated in paragraph 8 of the Directors' Report, provision is now made for the decommissioning of certain plant over the estimated useful life of the relevant assets. The amount of provision required at 31 March 1978 of £M30.6 is treated as a prior year adjustment. In restating the results for the year ended 31 March 1978 on the basis of the new policy, trading profit in that year has been reduced by £M5.7. The remainder of the provision required, £M24.9, relating to the year ended 31 March 1977 and earlier years has been charged against retained profit at that date.

10 Fixed Assets

a) A summary of fixed assets, held by the Group, is as follows:

	Freehold Land and Buildings	Plant, Machinery, Vehicles, Equipment and Furniture	Assets in course of construction	Total
	£M	£M	£M	£M
Cost at 1 April 1978	23.4	80.7	74.8	178.9
Additions including reclassifications	6.3	38.3	14.7	59.3
Disposals	(0.1)	(0.2)	—	(0.3)
Cost at 31 March 1979	29.6	118.8	89.5	237.9
Depreciation at 1 April 1978	14.1	62.0	—	76.1
Charge for year	2.1	7.3	—	9.4
Disposals	—	(0.2)	—	(0.2)
Depreciation at 31 March 1979	16.2	69.1	—	85.3
Net book value at 31 March 1979	13.4	49.7	89.5	152.6

b) A summary of fixed assets, held by the parent company, is as follows:

	Freehold Land and Buildings	Plant, Machinery, Vehicles, Equipment and Furniture	Assets in course of construction	Total
	£M	£M	£M	£M
Cost at 1 April 1978	23.4	80.2	67.9	171.5
Additions including reclassifications	6.3	27.5	19.6	53.4
Disposals	(0.1)	(0.2)	—	(0.3)
Cost at 31 March 1979	29.6	107.5	87.5	224.6
Depreciation at 1 April 1978	14.1	61.6	—	75.7
Charge for year	2.1	6.9	—	9.0
Disposals	—	(0.2)	—	(0.2)
Depreciation at 31 March 1979	16.2	68.3	—	84.5
Net book value at 31 March 1979	13.4	39.2	87.5	140.1

Land included in the above figures at £M0.5 (1978 £M0.5) is all freehold and is not depreciated.

11 Investments in Associated Companies

	1979		1978	
	Group £M	Parent £M	Group £M	Parent £M
Unquoted shares at cost	0.3	0.3	0.3	0.3
Loans and advances	16.6	0.2	16.4	0.3
	<u>16.9</u>	<u>0.5</u>	<u>16.7</u>	<u>0.6</u>
Less: Amount written off	16.4	—	16.1	—
	<u>0.5</u>	<u>0.5</u>	<u>0.6</u>	<u>0.6</u>
Share of retained profits	0.3	—	0.2	—
	<u>0.8</u>	<u>0.5</u>	<u>0.8</u>	<u>0.6</u>

The unquoted shares comprise investments in the Associated Companies listed on page 34.

Dividends amounting to £10,564 (1978 – £1,398) have been received during the year.

12 Advances to Partnerships

BNFL through its subsidiary companies is in partnership with Netherland and German organisations in two enterprises, one in the United Kingdom and the other in the Netherlands, for the purpose of producing enriched uranium using the centrifuge process. Currently BNFL's share in the United Kingdom partnership is 75% and that in the Netherlands is 12½%. Advances to the partnerships are stated after deducting the Group's share of losses to date and represent BNFL's contribution to cover costs of construction and operation of centrifuge plants and to meet day to day expenditure. Construction work being carried out by BNFL for the UK partnership is included in work in progress (*Note 13*).

13 Current Assets

	1979		1978	
	Group £M	Parent £M	Group £M	Parent £M
Stocks of raw materials and stores	30.5	30.5	26.1	26.1
Work in Progress	92.7	90.3	107.7	106.5
Finished Products	3.6	3.6	0.3	0.3
Debtors and payments in advance	57.3	57.0	27.0	25.4
Temporary investments	10.6	7.0	—	—
Balance with bankers and cash in hand	0.3	0.2	0.2	0.2
	<u>195.0</u>	<u>188.6</u>	<u>161.3</u>	<u>158.5</u>

Work in progress is stated after deducting progress payments of £M22.6 from the United Kingdom Partnership in respect of centrifuge plant being constructed for them. (*Note 12*)

14 Current Liabilities and Provisions

	1979		1978	
	Group £M	Parent £M	Group £M	Parent £M
Creditors, accrued liabilities and advances	65.5	63.7	50.6	48.2
Due to UKAEA	1.7	1.7	0.7	0.7
Provisions	15.6	15.6	9.1	9.1
Bank loans and overdraft	0.1	0.1	3.7	0.1
Dividend	2.2	2.2	1.3	1.3
	<u>85.1</u>	<u>83.3</u>	<u>65.4</u>	<u>59.4</u>
Current proportion of long term loans	<u>4.4</u>	<u>2.0</u>	<u>2.1</u>	<u>1.9</u>
	<u>89.5</u>	<u>85.3</u>	<u>67.5</u>	<u>61.3</u>

15 Share Capital

	1979 £M	1978 £M
Ordinary Shares of £1 each Authorised	<u>43.0</u>	<u>43.0</u>
Issued and Fully Paid (held by UKAEA)	32.7	32.7

16 Parent Company Reserves

	£M
Balance at 1 April 1978	23.1
As previously reported	(3.4)
Prior year adjustments (<i>Note 9</i>)	<u>19.7</u>
As restated	12.0
Profit retained	<u>31.7</u>
Balance at 31 March 1979	<u>31.7</u>

Parent Company reserves include £M2.4 (1978 £M0.4) profit on transactions with the Urenco (UK) Partnership and subsidiary companies, which is eliminated on consolidation.

17	Loans	1979 £M	1978 £M
	<i>Parent Company</i>		
	From Consolidated Fund. Unsecured and repayable over the period up to the terminal dates shown below in equal instalments of principal		
	5½ % 1993	17.5	18.7
	9½ % 1995	0.8	0.8
	5½ % 1995	4.9	5.2
		23.2	24.7
	From National Loans Fund. Unsecured and repayable over the period up to the terminal date shown below in equal instalments of interest and principal		
	11½ % 1991	8.9	9.2
	From Consortium of twenty-five banks. This unsecured loan is guaranteed by HM Government and repayable in three annual instalments commencing 31 March 1982. Interest is payable at 1¼ % above the London Inter-bank rate	50.0	50.0
	From European Investment Bank. This unsecured loan is guaranteed by HM Government and is repayable at six-monthly intervals between 25 May 1983 and 25 November 1993. Interest is payable at an effective average rate of 11.6%	5.0	—
		87.1	83.9
	Less repayable before 31 March 1980 included in current liabilities	2.0	1.9
		85.1	82.0
	<i>Subsidiary Company</i>		
	From consortium of Japanese shareholders. Unsecured and repayable in four annual instalments commencing 31 March 1980. Interest is payable at 10% per annum	2.8	2.0
	From National Westminster Bank Ltd: Unsecured and repayable in five equal annual instalments commencing 12 July 1979. Interest is payable at 1¼ % above the London Inter-bank rate	5.0	—
	Guaranteed by The Secretary of State for Industry, this Secured loan is repayable in equal six-monthly instalments between 25 July 1979 and 25 January 1986. Interest is payable at 7½ %	6.7	—
		14.5	2.0
	Less repayable before 31 March 1980 included in current liabilities	2.4	0.2
		12.1	1.8
	<i>Total for Group</i>		
		97.2	83.8
	Of which the aggregate amount of loans repayable after five years is:		
		28.2	34.0

	1979	1978
	Group and Parent	
	£M	£M
18 Deferred Liabilities		
Decommissioning	37.0	30.6
Advance payments received and receivable under long-term contracts	30.8	2.2
Long-term storage	18.0	16.0
	<u>85.8</u>	<u>48.8</u>

19 Deferred Taxation

No provision is made for deferred taxation because no liability is expected to arise in the foreseeable future. The Group's plans over the next few years provide for an investment in fixed assets in respect of which the taxation capital allowances will be substantially in excess of the anticipated charge for depreciation.

Additionally whilst the Group's plans over the next few years provide for a significant reduction in the levels of stocks held the tax losses available to the Group during the period will exceed the amount of deferred taxation which would be required to provide for the potential clawback of stock relief following the reduction of stocks.

The full potential liability to deferred taxation is set out below:

	1979	1978
	Group and Parent	
	£M	£M
Excess of book written down value of fixed assets eligible for taxation capital allowances over the taxation written down value of those assets	57.7	38.8
Taxation liabilities postponed by stock appreciation relief	38.4	43.9
The benefit of taxation losses carried forward in the Parent Company	(45.7)	(44.4)
Timing differences between the charging of particular items in the accounts and their equivalent deduction for taxation purposes	(32.2)	(26.2)
Recoverable UK Advance Corporation Tax	(1.7)	(0.8)
	<u>16.5</u>	<u>11.3</u>

1978 figures have been restated to take account of the prior year adjustments.

	1979 £M	1978 £M
20 Interests in Subsidiary Companies		
Unquoted shares at cost	1.5	1.5
Convertible Unsecured Loan Stock at Cost	21.0	21.0
Provision for losses	22.5	22.5
	9.5	6.8
Amount owing to Subsidiary Companies	13.0	15.7
	8.7	15.8
	4.3	(0.1)

The subsidiary companies are listed on page 34.

21 Capital Expenditure Authorised

Capital expenditure authorised but not provided for in these accounts amounted to £M299.1 (1978 £M333.0) for the Group including £M285.0 (1978 £M325.8) for the Company; of which £M51.6 (1978 £M36.9) has been contractually committed by the Group and £M42.0 (1978 £M32.5) by the Company.

22 Regional Development Grants

Regional Development Grants in respect of expenditure incurred up to 31 March 1979 which had not been received by that date and are not included in the accounts amounted to £M9.0 (1978 £M3.8).

23 Contingent Liabilities

- a) Promissory Notes discounted totalling £M4.3 of which 90% are covered by the Export Credits Guarantee Department.
- b) Guarantee in respect of the Company's share of an overseas loan for an associated company up to a maximum of £M0.1.
- c) Guarantee in respect of banking facilities for an associated company to a total of £M0.2.
- d) Guarantee by Parent Company in respect of subsidiary companies' commitments to their partners in Urenco (UK) and Urenco Nederland.
- e) Guarantees by Parent Company in respect of loans made by the overseas shareholders to a subsidiary company amounting to £M2.1.
- f) Guarantees by Parent Company in respect of subsidiary company bank overdraft and loans up to a maximum of £M15.7.
- g) Guarantee by Parent Company to the Export Credits Guarantee Department in respect of £M9.0 advanced to Urenco (UK) on behalf of an overseas customer.

In the opinion of the Directors no material losses are expected to arise in respect of the above.

Source and Application of Funds Statement

for the year ended 31 March 1979

Source of Funds	1979		1978	
	£M	£M	£M	£M (Restated)
Profit before Taxation			13.7	5.4
Adjustments for items not involving movements of funds:				
Profit retained in Associated Companies			(0.3)	(0.2)
Depreciation			9.4	9.5
Increase in amounts set aside for long-term storage and decommissioning			8.4	8.7
Total generated from operations		31.2		23.4
Funds from Other Sources				
Advance payments under long-term contracts			28.6	0.4
Increase in Government Grants			2.1	8.9
Loans			17.7	31.0
Disposal of Fixed Assets			0.1	0.1
		79.7		63.8
Application of Funds				
Purchase of Fixed Assets	59.3		42.0	
Dividend paid	1.3		0.3	
Repayment of loans	4.3		1.9	
Taxation paid	0.9		0.2	
Increase in investments in Partnerships and Associated Companies	1.0	66.8	3.6	48.0
		12.9		15.8
Increase/(Decrease) in Working Capital				
Stocks		(7.3)	32.3	
Debtors		30.3	(5.7)	
Creditors		(24.4)	(7.3)	
Movement in net liquid funds:				
Temporary investments	10.6		(0.7)	
Bank and Cash balances	3.7	14.3	(2.8)	15.8

Subsidiary and Associated Companies

BNFL

SUBSIDIARY COMPANIES

BNFL Enrichment Limited

Is wholly owned by British Nuclear Fuels Limited and is the central subsidiary through which all financial aspects of participation in the tripartite centrifuge project are handled.

In addition four subordinate companies, wholly owned through BNFL Enrichment Limited, are used as vehicles for financing particular sections of the project.

They are BNFL Enrichment (Plant & Equipment) Limited, BNFL Enrichment (Operations) Limited, BNFL Enrichment (Operations-UK) Limited, and BNFL Enrichment (Operations-Europe) Limited.

Pacific Nuclear Transport Limited

Incorporated in England in 1975. Its main purpose is the transport of irradiated fuel from Japan to Europe.

BNFL holds three-quarters of the shares. The remainder are held by Japanese shareholders.

ASSOCIATED COMPANIES

Centec GmbH

Incorporated in Germany in 1971. Its main purpose is to co-ordinate the development in the laboratories in the three countries of plant for the enrichment of uranium by the centrifuge process.

BNFL holds one-third of the shares. The remainder are held by Netherlands and German organisations.

Urenco Limited

Incorporated in England in 1971. Its main purpose is the marketing of enriched uranium produced in enrichment plants using the centrifuge process.

BNFL holds one-third of the shares. The remainder are held by Netherlands and German organisations.

United Reprocessors GmbH

Incorporated in Germany in 1971 for the purpose of marketing and providing services for the reprocessing of irradiated fuel from nuclear power stations using uranium oxide fuel.

BNFL holds one-third of the shares. The remainder are held by French and German shareholders.

Nuclear Transport Limited

Incorporated in England in 1972 for the purpose of providing services for the transport of irradiated nuclear fuel elements from oxide-fuelled power reactors to reprocessing plants.

BNFL holds one-third of the shares. The remainder are held by French and German shareholders.

Combustibili Nucleari SpA

Incorporated in Italy in 1967 for the purpose of manufacturing and supplying fuel and fuel components and providing related services, including reprocessing, for nuclear power stations.

BNFL holds half of the shares. The remainder are held by an Italian company.

Nukleardienst GmbH

Incorporated in Germany in 1964 for the purpose of providing nuclear fuel services for AGR type reactors built in that country or in certain other European countries.

BNFL holds half of the shares. The remainder are held by a German company.

Financial Statistics

Net Assets Employed	Fixed Assets Investments	Net Current Assets	1979	1978	1977	1976	1975	1974	1973	1972
			£M	£M	£M	£M	£M	£M	£M	£M
			152.6	102.8	70.5	52.1	34.0	26.6	25.4	23.2
			26.6	25.6	21.6	12.4	3.9	0.8	0.8	0.3
			105.5	93.8	77.9	52.3	48.1	46.0	39.4	34.6
			284.7	222.2	170.0	116.8	86.0	73.4	65.6	58.1
Financed by	Share capital Reserves		32.7	32.7	32.7	27.7	17.7	17.7	17.7	17.7
			29.6	19.5	18.7	15.2	11.5	8.8	7.5	3.8
	Shareholders' Interest	Minority Interest	62.3	52.2	51.4	42.9	29.2	26.5	25.2	21.5
			0.3	0.4	0.5	—	—	—	—	—
	Loans		97.2	83.8	55.0	27.9	29.5	31.2	32.7	34.3
	Deferred Liabilities		85.8	48.8	35.0	28.9	19.5	12.2	5.9	2.3
	Government Grants		39.1	37.0	28.1	17.1	7.8	3.5	1.8	—
			284.7	222.2	170.0	116.8	86.0	73.4	65.6	58.1

Sales and Profits	Sales:	Nuclear Fuel Services — Home — Export	Electricity	Trading Profit (after RDGs and Depreciation)	Regional Development Grants Released	Depreciation	Research and Development Written Off	Interest	Share of Profits less (Losses) of Associated Companies	Profit before Taxation	Taxation	Profit after Taxation	Loss Attributable to Minority Interest	Profit for Year	Dividend	Profit Retained	Profit for Year as a Percentage of average Shareholder Interest
				179.0	120.4	102.3	77.1	67.1	50.9	49.6							
				30.0	23.2	11.1	12.4	5.9	6.3	6.0							
				28.2	18.1	15.0	14.7	10.2	8.1	8.1							
				237.2	161.7	128.4	104.2	83.2	65.3	63.7							
				31.8	19.1	13.0	11.9	9.0	10.1	10.0							
				1.7	1.9	2.2	0.7	0.3	—	—							
				9.4	9.5	7.8	5.8	4.3	4.0	4.1							
				9.7	7.8	0.4	0.3	0.6	0.4	2.0							
				8.7	6.1	3.4	1.7	1.7	1.9	2.0							
				0.3	0.2	(1.7)	(1.0)	(0.3)	(0.3)	—							
				13.7	5.4	7.5	8.9	6.4	7.8	6.0							
				1.3	0.8	4.3	5.2	3.7	3.4	2.2							
				12.4	4.6	3.2	3.7	2.7	4.4	3.8							
				0.1	0.1	—	—	—	—	—							
				12.5	4.7	3.2	3.7	2.7	4.4	3.8							
				2.2	1.3	0.3	—	—	—	—							
				10.3	3.4	2.9	3.7	2.7	4.4	3.8							
				21.8	9.3	6.8	10.2	9.7	12.4	18.8							
																	19.4

Note The 1978 figures have been restated to show the effect of prior year adjustments in respect of deferred taxation and decommissioning. No adjustment has been made for earlier years and the figures shown above are as shown in the published accounts.

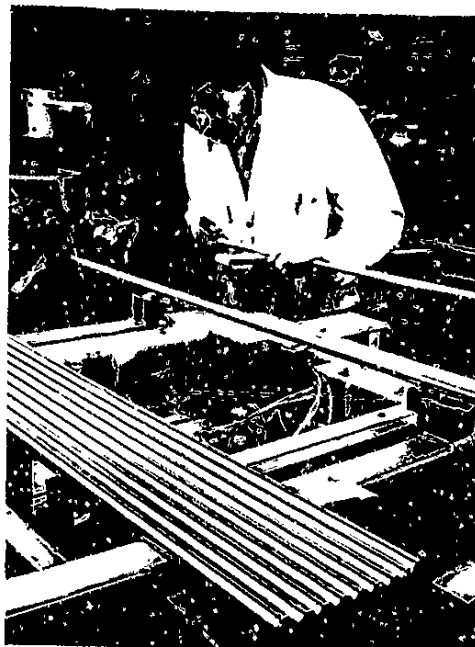
BNFL Enrichment Limited and Subsidiaries

BNFL

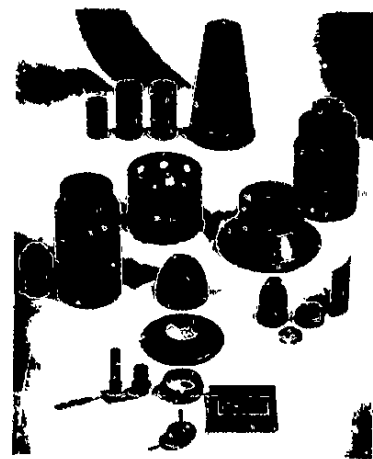
The summarised accounts set out below are intended to give an indication of the nature and extent of the involvement of BNFL Enrichment Limited and its subsidiaries in centrifuge operations.

Summarised Balance Sheet as at 31 March 1979

	1979 £M	1978 £M
Net Assets Employed		
Investment:		
Associated Company – Shares, loans and advances – (£3,000)	—	—
Urenco Partnerships – advances	27.8	24.8
	27.8	24.8
Current Assets		
Due from BNFL	11.5	16.2
Others	—	1.2
	11.5	17.4
Less Current Liabilities	1.0	1.1
Net Current Assets	10.5	16.5
	38.3	41.3
Financed by		
Issued Share Capital – (£100)	—	—
Convertible Unsecured Loan Stock	21.0	21.0
	21.0	21.0
Accumulated Losses	(8.8)	(6.4)
	12.2	14.6
Government grant held as Deferred Credit	26.1	26.5
	38.3	41.1
Analysis of Accumulated Losses		
Partnership losses net of Government grant	3.4	2.3
Amount written off investment in associated company net of Government grant	5.0	3.4
Research and Development written off net of Government grant	1.0	1.0
Unrealised exchange differences	(0.6)	(0.3)
	8.8	6.4



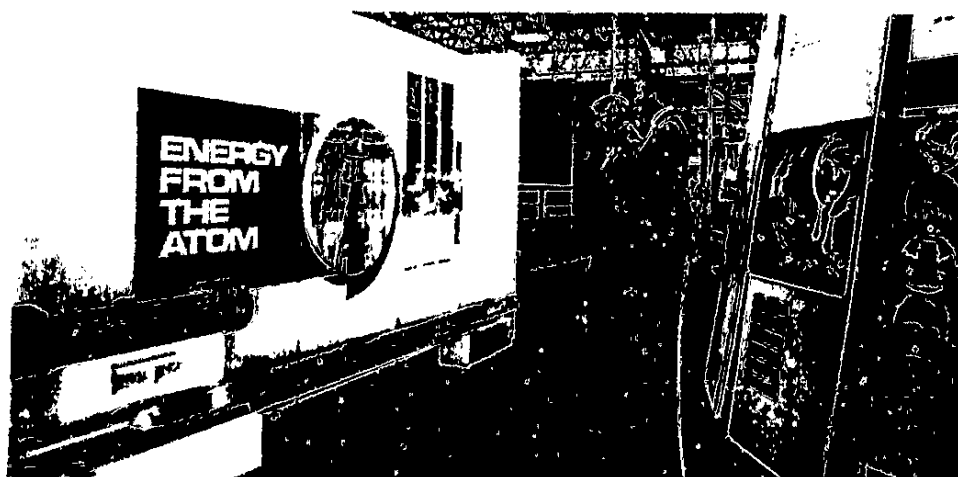
During the year, Springfields produced the 3 millionth Magnox fuel element and the 1 millionth AGR fuel pin.



A new plant for the manufacture of REFEL. Silicon Carbide components has been built at Springfields.



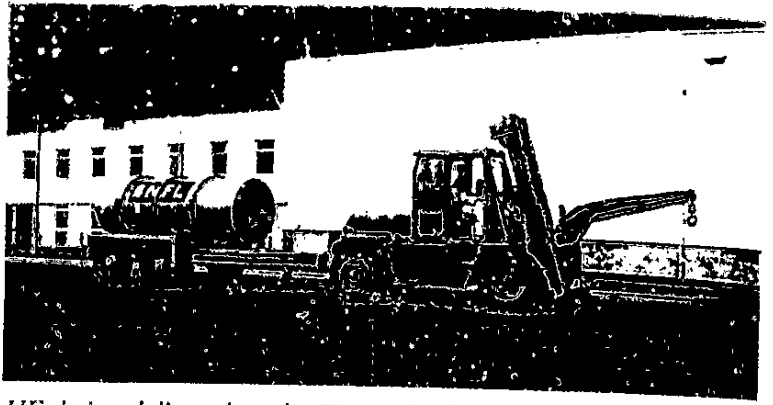
BNFL's exhibition stand at Nuclex '78, held in Basle, Switzerland, in October 1978.



Energy from the Atom, BNFL's touring exhibition, was put on display in five major centres.

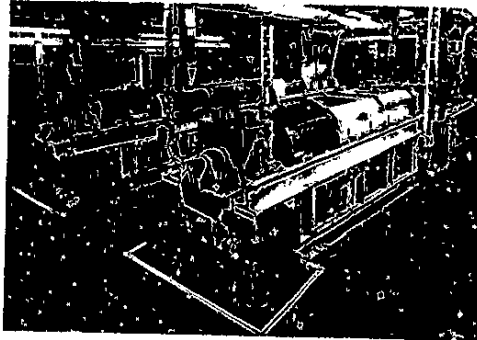


Rutherford House, BNFL's new office block at Risley.



UF₆ being delivered to the Urenco (UK) centrifuge enrichment plant at Capenhurst. The total Urenco order book is now worth some £1300 million.

UO₂ conversion kilns at Springfields. BNFL's UO₂ powder process has attracted world-wide interest.



The new UF₄ building at Springfields.

