



# Tenth Annual Report & Accounts 1980/81



British Nuclear Fuels Limited



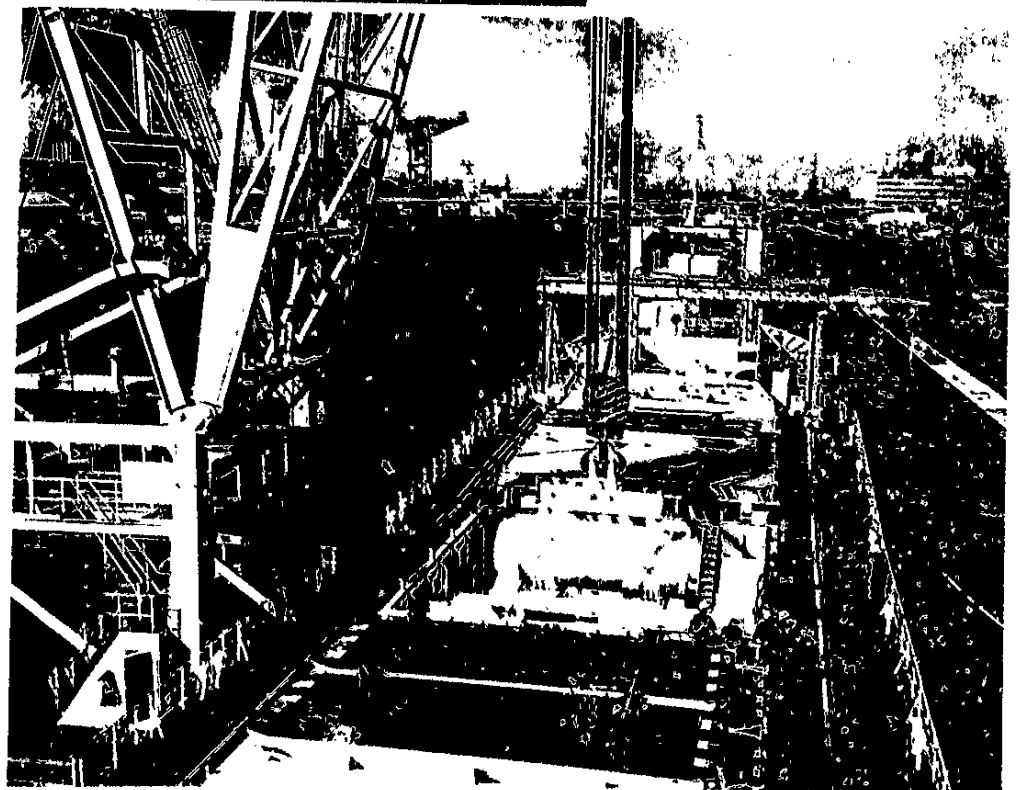
*BNFL's new London Office*



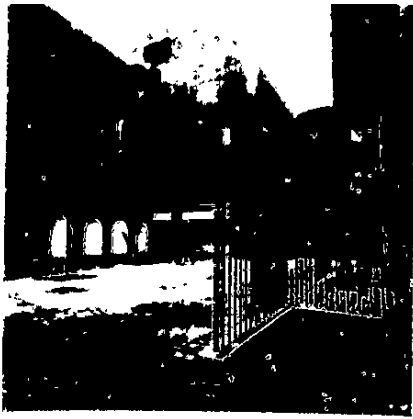
*An artist's impression of BNFL's new engineering office complex to be built at Birchwood Science Park, Risley*



*The Lord Lieutenant of Lancashire, Simon Towneley, presents the Queen's Award to Industry to Con Allday, BNFL's Managing Director. The ceremony took place at Springfields works in June 1980. On the right is Springfield's General Manager, Harold Dibben*



*From the 1970s on, Philip Cox, BNFL's Chief Engineer, has been responsible for the design and construction of the plant*



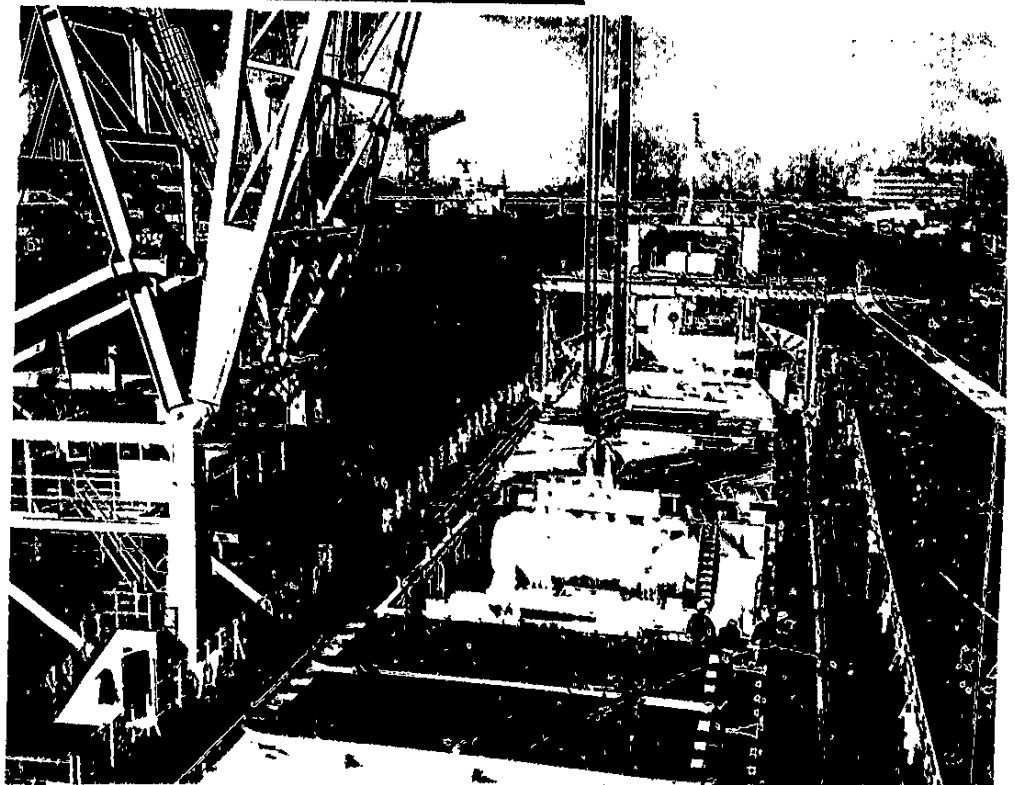
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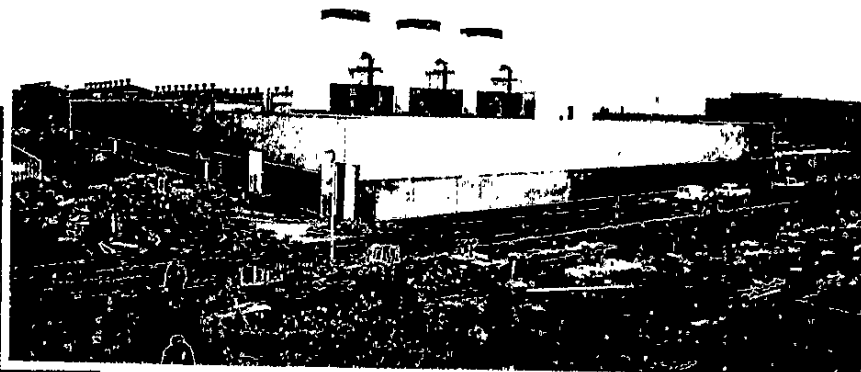
*An artist's impression of BNFL's new engineering office complex to be built at Birchwood Science Park, Risley*



*The Lord Lieutenant of Lancashire, Simon Towneley, presents the Queens Award to Industry to Con Allday, BNFL's Managing Director. The ceremony took place at Springfields works in June 1980. On the right is Springfields' General Manager, Harold Dibben.*



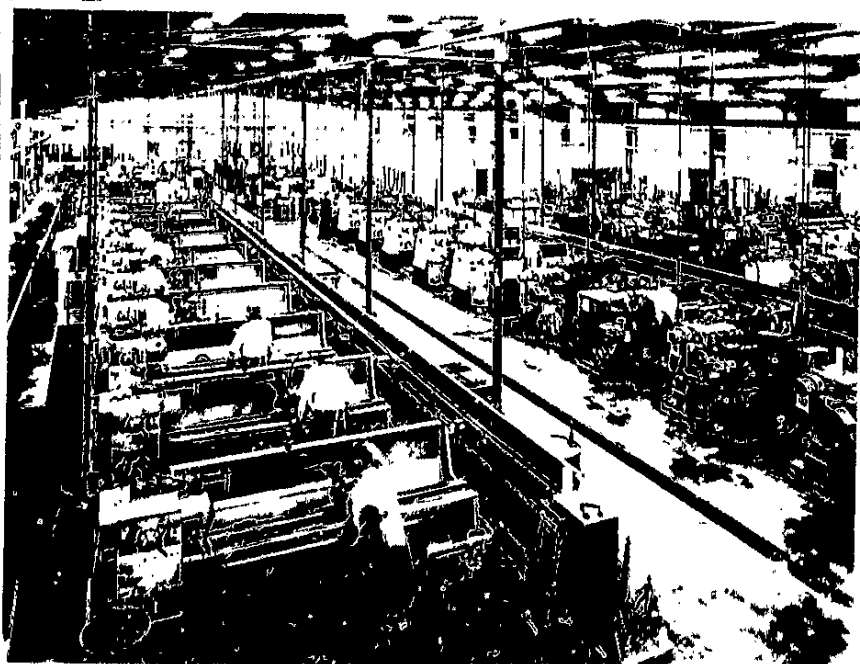
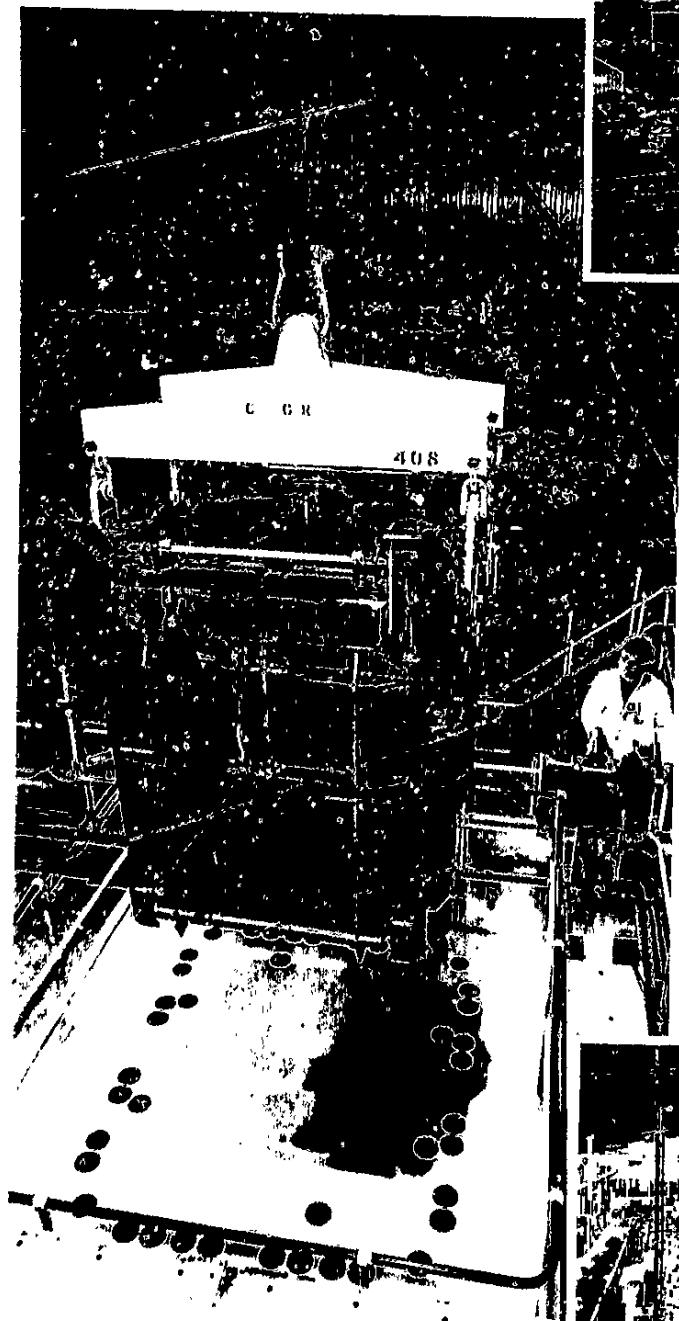
*The new 1000 MW Pressurised Water Reactor at Springfields, Lancashire*



*Above. The new centrifuge enrichment plant (F.22) under construction at Capenhurst.*

*Left. Handling a fuel storage container in the Pond 4 building at Sellafield.*

*Below. The new AGR components manufacturing shop at Springfields.*



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



British Nuclear Fuels Limited

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BNFL

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**BNFL**

Sir John Hill

*Chairman*

C Allday, CBE

*Managing Director*

Dr D G Avery

*Deputy Managing Director*

J Tatlock, MBE

*Assistant Managing Director*

Dr N L Franklin, CBE

G H Inglis

A Johnson

Dr T N Marsham, CBE

J R S Morris

R L Pilling

P Shelbourne

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*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

BNFL

The TENTH ANNUAL GENERAL MEETING of British Nuclear Fuels Limited will be held at 1 Hobhouse Court, Suffolk Street, London SW1P 4HH, on Wednesday, 26 August, 1981, 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 1981;
- 2 To declare a final 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  
30 July 1981

Note: A member entitled to attend and vote at the above meeting may appoint a proxy to attend and, on a poll, to vote in his stead. A proxy need not be a member of the Company.

# Group Highlights

**BNFL**

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

|                                                              | 1981<br>£M | 1980<br>(Restated)<br>£M |
|--------------------------------------------------------------|------------|--------------------------|
| SALES                                                        | 349.2      | 283.5                    |
| TRADING PROFIT                                               | 50.5       | 35.1                     |
| PROFIT BEFORE TAXATION                                       | 16.1       | 18.9                     |
| PROFIT FOR YEAR AFTER TAXATION<br>AND MINORITY INTERESTS     | 12.9       | 16.0                     |
| DIVIDENDS                                                    | 2.7        | 2.7                      |
| PROFIT RETAINED                                              | 10.2       | 13.3                     |
| CAPITAL EXPENDITURE                                          | 200.5      | 107.4                    |
| ASSETS EMPLOYED                                              | 568.0      | 413.3                    |
| SHAREHOLDERS' INTEREST (Average for year)                    | 83.6       | 71.9                     |
| PROFIT FOR YEAR RELATED TO<br>AVERAGE SHAREHOLDERS' INTEREST | 15.4%      | 22.3%                    |
| NUMBER OF EMPLOYEES (Average for year)                       | 15,660     | 14,250                   |

## Chairman's Review of the Year

- 1 At the end of March the Group completed 10 years of operation, a decade in which it established itself in the world market in all aspects of the nuclear fuel cycle. This is, therefore, a time for modest self-congratulation; the Group can be proud of its achievements, many of which have been made in face of formidable obstacles. However, the future is full of challenge. Nuclear expansion remains slow not only in this country but in overseas markets and the fuel services business has become increasingly competitive. In order to survive in the present climate of the industrialised world generally and of the nuclear industry in particular and to be ready to take advantage of growth in nuclear power when it returns, the Group must continue to improve its processes and its management efficiency in order to contain costs and improve competitiveness.
- 2 In last year's Review, I warned that the economic climate was not favourable and I must report that the pressures to which I referred then intensified during the last 12 months. Inflation remained at a high level, as did interest rates, although there were welcome signs of improvement as the year progressed. Both of these factors have had an adverse effect on the cost and competitiveness of the Group's productive operation and of its capital construction programme.
- 3 The Group's construction programme involved an investment of about £200 million last year and this figure will rise further in the future. The Group was able to sustain a high level of self-financing for the capital programme but it had nevertheless to make provision for further substantial borrowings. The Government demonstrated its confidence in the Group and its future programme by approving the extension of Government investment and guarantee limits from £M300 to £M500.
- 4 The large investment programme is necessary to provide the plants required for the future, but its cost is nevertheless a matter of concern to me and to my fellow Directors. Strenuous efforts are being made, and must continue to be made, to minimise and contain construction costs and achieve full cost effectiveness.
- 5 The general strength of Sterling against other currencies has had a serious effect on our competitiveness in export markets, leading to a widespread erosion of profit margins and to some existing overseas contracts becoming unprofitable. The position has improved since the year end and the Group intends to fight hard to retain an export base from which it can expand when demand and trading conditions improve.
- 6 In the domestic market the Group's main customers, the Central Electricity Generating Board, the South of Scotland Electricity Board and the Ministry of Defence have, in response to the Government's tight control on cash limits, been forced to review their expenditure and particularly their outside purchases. The impact of these cuts has been felt particularly strongly at Capenhurst Works, where it has become necessary to close the Diffusion Plant earlier than had been planned and the programme for the construction of a plant at Capenhurst to provide enriched fuel for use in nuclear submarines has been slowed down in accordance with a Ministry of Defence requirement to reduce expenditure on this project over the next two years. In the Fuel and Reprocessing Divisions, planned expansion schemes are having to be re-examined.

- 7 Nevertheless, it must be said that the Group has come through the last year in better shape than many other industrial organisations in the UK. In part this reflects the continuing recognition by the Generating Boards, with the support of the Government and the Opposition, of the need for nuclear power and the continuing confidence of the Group's overseas customers in our technical ability. In part it is a reflection of the efforts made during the year by the Group's employees at all levels and their growing recognition that the Group is not immune from the general economic pressures. It is imperative that the economic advantage of nuclear power is not whittled away and that our competitive position is maintained. This is vital not only for the Group's own business but for the future prosperity of the UK electricity industry as a whole.
- 8 Further business expansion for BNFL is tied inextricably to the future of nuclear power as a major energy source and in particular to the restoration of growth of electricity demand in the UK. Despite persistent attack from anti-nuclear factions, the case for nuclear power, its inherent safety and economic advantage, remains intact. I am confident that the BNFL Group will do its best to ensure that this continues to be so.

## Financial Results

- 9 The Accounts set out on later pages show that turnover again increased in 1980/81 mainly as a result of inflation.
- 10 Whilst Trading Profit shows a welcome increase over last year this has been more than absorbed by increased interest charges and research and development expenditure.
- 11 As a result the Profit for the year after taxation and minority interest is lower than last year and the return on shareholders' interest fell to 15% (1980 22%).

## Dividends

- 12 In the light of the reduced profit available for distribution and the continuing uncertainties about overall longer term liabilities referred to in the Directors' Report which lead to a qualification by the Auditors, the Directors have felt it necessary to recommend that dividends should not exceed last year's level.

## Current Cost Accounts

- 13 The Group's results on a current cost basis in accordance with Statement of Standard Accounting Practice No. 16 are reproduced on pages 33 to 37. They show that the historical profit of £M13 attributable to the shareholders is reduced to £M3 on a current cost basis. This is a matter of concern; it reflects the continuing high inflation rate, particularly in those areas of trading where the Group's profit is earned from a return on historical capital employed.

## Enrichment

- 14 Capenhurst's first commercial scale centrifuge uranium enrichment plant, which was completed early in 1980, has operated routinely and efficiently throughout the year. Work is well advanced on a second plant which will begin to come into operation during 1982. The total order book of Urenco (the Anglo-Dutch-German collaboration through which BNFL participates in centrifuge enrichment) is currently valued at about £M1,500; just over a third of the business will be taken by Capenhurst. In collaboration with its Dutch and German partners in Urenco and Centec (the R & D arm of the

tripartite collaboration) the Group is making good progress in developing more advanced centrifuges which will be installed in tranches of capacity to come on line from the mid-1980s.

- 15 The Capenhurst Diffusion Plant has also operated successfully throughout the year in enriching to natural U.235 concentration uranium recovered at Windscale Works from spent Magnox fuel. However as noted earlier, operations are being run down as part of a planned phasing out of the Diffusion Plant by the end of 1982.

### **Fuel Manufacture and Associated Services**

- 16 Fuel Division again achieved target production figures for Magnox fuel, AGR fuel and uranium hexafluoride.
- 17 Major renovation of the Magnox fuel manufacturing facilities is in hand and some refurbishment and additions to the AGR manufacturing lines are planned to meet fuel requirements for the AGR stations, including those for Heysham B and Torness. Construction has started on a new plant for the recovery of enriched uranium residues.
- 18 The Group has received a Letter of Intent for the manufacture of PWR fuel for the CEBG, subject to the outcome of the Government Inquiry into the PWR. Extensive information has been received from the Group's licensor, Westinghouse, under the terms of the PWR Fuel Licence Agreement and preliminary design studies for a PWR fuel manufacturing line have started.
- 19 The Springfields factory continues to undertake significant export business. New contracts for overseas  $UF_6$  conversion have been gained, although the strength of Sterling has reduced the profitability of this business. Exports of powder, pellets and finished fuel, especially to France, Italy and Japan have held up well.

### **Fuel Reprocessing**

- 20 At the end of the year a re-organisation was announced of the management structure of the Reprocessing Division's Windscale Operations. The site has been designated Sellafield — the traditional local name — and two separate management units have been formed — Windscale Works and Calder Works — each under its own General Manager. This change reflects the growing size and complexity of operations on this site.
- 21 The reprocessing of used Magnox fuel from the UK and overseas continued successfully during the year, with some reduction in the backlog of fuel awaiting reprocessing. Receipt of spent oxide fuels from overseas reactors continued and a new fuel storage pond for AGR fuel was completed and brought into use for receipt of fuel from Hinkley Point B and Hunterston B.
- 22 During 1980 discharges of activity to sea continued the 1979 pattern in being significantly lower than discharges in the mid 1970s. Progress continued at the Works on the construction of two effluent treatment plants designed to reduce substantially the activity discharged to sea.
- 23 The major engineering programme for the extension and renovation of the plant for the reprocessing of Magnox fuel and for the provision of plant for the storage of oxide fuels, continued at an increasing pace, as did the design of the new oxide fuel reprocessing plant (THORP).

- 24 Another major area of development and engineering effort was the treatment of radioactive wastes arising from reprocessing operations. Development work and design of a facility for the vitrification of high active fission product effluent progressed significantly during the year with the selection of the process to be employed and the start of detailed engineering design of the proposed Windscale Vitrification Plant.
- 25 The Wastewater Inquiry regarding the source of the Works' additional water requirements ended in May 1980 after a hearing of 57 days spread over four months; the decision has yet to be announced. The application was made in April 1979 and it is likely that some two and a half years will have elapsed before a decision is known. This makes the planning of efficient industrial activities extremely difficult.
- 26 Extensions of the existing contracts for the reprocessing of Magnox fuel from nuclear power stations in Japan and Italy were concluded successfully.

## Transport

- 27 Nuclear fuel transport operations made a valuable contribution in 1980/81. Nuclear Transport Limited, the Group's associated Company which organises irradiated fuel transport in Europe had another successful year, and the Group ordered a purpose-built ship for the transport of spent nuclear fuels on the European routes.
- 28 The Group is also the principal shareholder in Pacific Nuclear Transport Limited, whose ship "Pacific Crane", the third of the purpose-built ships for carrying spent fuel from Japan, completed its maiden voyage in January. A fourth ship for PNTL has been ordered.

## Electricity Generation

- 29 Calder Reactor One, shut-down since 1975 because of a shortage of pond storage for spent Magnox fuel, was brought back into operation in January 1981. During the year Chapelcross celebrated its twenty-first anniversary. All Calder and Chapelcross reactors have continued to operate well.

## People

- 30 Some major re-organisational changes were announced in March 1981 in order to take account of the increasing diversity and complexity of the Group's nuclear fuel reprocessing operations, and as part of the reorganisation at Sellafield already referred to, Mr. J. Tatlock became Assistant Managing Director of the Company and Mr. R. L. Pilling joined the Board of Directors as Director, Operations, Reprocessing Division.
- 31 Over the year the total number of the Group's employees increased by nearly 8.3%, an expansion which is consistent with the Group's forward plans and commitments. I welcome all those who have recently joined the Group and hope that we can count on their dedication over the years ahead in the same way as employees of longer standing have supported us in the past. To those employees who retired during the year I offer my thanks for all their hard work and loyalty during their time with us.

## Company Objectives

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 1981



- 1 The Directors of British Nuclear Fuels Limited have pleasure in submitting to the Shareholders their Tenth Annual Report, together with the audited Accounts for the year ended 31 March 1981.
- 2 The full accounts of the Group are set out on pages 17 to 37 and include, on a consolidated basis, the accounts of the Subsidiary Companies listed on page 31, together with the accounts of the UK Partnership through which the Group participates in the production of enriched uranium, using the centrifuge process.

## 3 Shareholding

An order was laid before Parliament on 22 June 1981 concerning the ownership of BNFL's shares. The result would be to transfer the shareholding from the United Kingdom Atomic Energy Authority to the Secretary of State for Energy with effect from 3 August 1981.

## 4 Turnover and Profits

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

|                                                                                    | Sales        |              | Trading Profit |                    |
|------------------------------------------------------------------------------------|--------------|--------------|----------------|--------------------|
|                                                                                    | 1981         | 1980         | 1981           | 1980<br>(Restated) |
|                                                                                    | £M           | £M           | £M             | £M                 |
| Nuclear Fuel Services<br>(including those provided to<br>the UK Generating Boards) | 314.3        | 252.0        | 53.9           | 37.7               |
| Electricity                                                                        | 34.9         | 31.5         | (3.4)          | (2.6)              |
|                                                                                    | <u>349.2</u> | <u>283.5</u> | <u>50.5</u>    | <u>35.1</u>        |

Nuclear Fuel Services showed improved profits in both the Home and Export areas. Electricity return continued to be adversely affected by the closure of one of the Calder reactors, to reduce the load on irradiated fuel storage and reprocessing facilities. However, the reactor was returned to full power towards the end of the financial year.

## 5 Dividend

The Directors recommend that a final dividend of 6½% should be paid, making a total of 8½% for the year.

## **6 Finance**

- (a) Group capital expenditure of £M200.5 (Parent £M153.2) has been incurred during the year, mainly on upgrading reprocessing facilities at Windscale and on the second centrifuge enrichment plant at Capenhurst.
- (b) During the year the Parent Company made the final £M25 drawing from the £M100 loan agreement negotiated in 1976/77 and also borrowed £M72 under the long term credit established with the European Investment Bank.
- (c) Capital expenditure authorised at the end of the year was £M660, of which £M147 has been contractually committed. This reflects the major investment programme of the Group, which will continue over the next few years. A substantial part of the finance for this programme will be met from internally generated funds and advances from customers. A loan agreement has been signed with an international consortium of banks to cover external borrowing requirements over the next financial year and similar agreements are envisaged for the future, supported where necessary by the provisions of the Nuclear Industry (Finance) Act 1977 and similar legislation which the Government has indicated it expects to introduce.

## **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 Long-term Commitments**

In respect of the items mentioned below, due to the long-term nature of the commitments, the provisions made (see the statement of Accounting Policies on pages 17 and 18) are necessarily based on the latest information available, but it is not possible to ascribe precise figures to the ultimate costs. However, the Board expects that, if such costs eventually turn out to be larger than the present assessment, whether this is due to inflation or technical factors, the Group will be able to meet the excess without impairing its viability. The position with regard to these items is as follows:—

(a) *Reprocessing Contracts*

As stated in last year's Annual Report, discussions were taking place at the year end with customers on certain unprofitable reprocessing contracts on which it was not possible to determine whether any provision needed to be made for future losses. During 1980/81 it has been possible to establish satisfactory arrangements with some of these customers. Discussions with the other customers are continuing. A provision has been made which is judged adequate to cover the probable extent of any future losses.

(b) *Long-Term Storage of Waste Products*

Work continues towards the introduction of a vitrification process incorporating appropriate parts of the system already operating in France. As in previous years, amounts have been set aside in respect of the estimated cost of vitrifying the Group's highly active 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 1980s. Further technical developments and the work mentioned above might affect the ultimate cost. No provision has been made for the potential costs of vitrifying the highly active waste products on hand at the date of formation of the Company. The amounts involved would be substantial. H.M. 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) *Decommissioning*

It is the Group'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 Group 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, or where specific agreement has been reached to this effect. Where this is not the case, provision is made over the life of the facility involved.

**9 Exports**

Export sales during the year totalled £M40.8 (1980 £M40.7).

**10 Personnel**

The weekly average number of persons employed by the Group during the year was 15,660 (1980 14,250) and with this increased employment aggregate remuneration during the year rose to £M124.0 (1980 £M87.5).

**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. Mr R L Pilling was appointed to the Board on 25 March 1981. All other Directors served throughout the year.

**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, up to 22 February 1981 when he retired, and Dr T N Marsham were full-time members and Mr C Allday and Dr N I. Franklin were part-time members of the UKAEA, which has a number of substantial contracts with the Group. Dr Franklin is also Managing Director of the National Nuclear Corporation, which has a number of contracts with the Group.

### **13 Contributions for Political or Charitable Purposes**

No contributions were made for political purposes. Contributions to charities during the year amounted to £13,560 (1980 £12,780).

### **14 Industrial Injuries**

The frequency of lost time injuries per 100,000 industrial man hours worked is 1.9 for 1980/81, which is comparable with the figures for earlier years.

|         |     |
|---------|-----|
| 1979/80 | 2.1 |
| 1978/79 | 2.1 |
| 1977/78 | 2.0 |

The Company's figures show no statistically significant variation over these years.

### **15 Corporate Plan**

The Group annually submits a forward Plan covering the next ten years to the Department of Energy. Approval of the Plan is the mechanism by which the Department accepts the Group's forward investment programmes. The proposals in the 1980 Plan have been accepted.

### **16 Energy Saving**

The Group's efforts to conserve energy and improve energy utilisation are continuing.

Programmes have been implemented or are in hand at all sites, for the provision of additional thermal insulation; installation of automated controls and regulators; optimisation of plants and processes which have high energy inputs. Springfields boiler fuel has been converted from oil to gas.

The programmes implemented to date have led to savings in the range 5 – 10% of annual fuel bills in the areas concerned which are in line with the Group's stated objective.

### **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  
30 July 1981



# Report of the Auditors

to the members of British Nuclear Fuels Limited

BNFL

- 1 We have audited the accounts set out on pages 17 to 37 in accordance with approved Auditing Standards. The accounts on pages 17 to 32 have been prepared under the historical cost convention and the supplementary accounts on pages 33 to 37 have been prepared under the current cost convention as described in Statement of Standard Accounting Practice No 16.
- 2 Because of the uncertainties explained in paragraph 8 of the Directors' Report and, having regard to the long-term nature of the commitments, the provisions in respect of the completion of certain reprocessing sales contracts, the long-term storage (vitrification) of waste products arising since 1 April 1971 and the decommissioning of radioactive facilities, are included in the accounts based on latest technical assessments and computed at current prices. We consider that the Directors have taken reasonable steps in arriving at their estimate of the provisions required.
- 3 As explained in paragraph 8(b) of the Directors' Report, no provision has been made for the potential costs of long-term storage (vitrification) of waste products on hand at the date of formation of the company in 1971.
- 4 Subject to any adjustments that may be necessary when the ultimate costs in respect of the matters referred to in paragraphs 2 and 3 above can be determined, in our opinion:—
  - (a) the accounts on pages 17 to 32 give a true and fair view of the state of affairs of the company and the group at 31 March 1981 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1980;
  - (b) the supplementary current cost accounts on pages 33 to 37 have been properly prepared, in accordance with the policies and methods described on pages 35 to 37, to give the information required by Statement of Standard Accounting Practice No 16.

*Coopers & Lybrand*

Coopers & Lybrand

Chartered Accountants

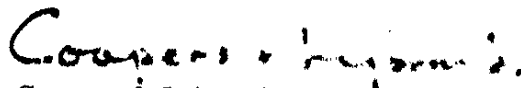
London  
30 July 1981

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Coopers & Lybrand  
Chartered Accountants

London  
30 July 1981

# Accounting Policies

## 1 Consolidation

- (a) The consolidated accounts include the accounts of British Nuclear Fuels Limited, its subsidiary companies, as listed on page 31, and the accounts of the Urenco (UK) Partnership, all of which are made up to 31 March.
- (b) The consolidated accounts also include the Group's share of the profits less losses (in so far as they are not covered by Government grants available) shown by the accounts of the associated companies listed on page 31. 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 Deferred Liabilities

- (a) To the extent that the costs are not considered to be recoverable from customers by way of a specific charge at the time the costs are incurred:—
  - (i) Provision is made on an ongoing basis for the expected cost of decommissioning the Group's radioactive facilities;
  - (ii) Provision is made under this heading for the expected cost of reprocessing the irradiated fuel discharged from the reactors at Calder and Chapelcross which is not expected to take place within the next twelve months; and
  - (iii) Provision is made for the estimated cost of vitrifying, beginning in the late 1980s, the Group's waste products arising since its formation on 1 April 1971.

Provision is not made for the cost of vitrifying waste products arising from operations prior to the formation of the Company on 1 April 1971.

- (b) These provisions are based on the latest technical assessments of the processes and methods likely to be used and the present assessment of the time when these liabilities will require to be met. They are computed at present price levels. The provisions are reviewed annually to reflect any known changes in techniques, timings 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 released 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 lives or, in the case of contractually committed assets, over the period in which the cost of these assets is recoverable from the customers. The periods used for depreciation purposes of the major categories of fixed assets are:

Buildings 10 to 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 receivable 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 period used for depreciation purposes for 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, and in the case of work in progress after deduction of progress payments. 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 where no liability is expected to arise in the foreseeable future.

# Consolidated Profit and Loss Account

for year ended 31 March 1981

|                                                         | 1981  | 1980<br>(Restated) |
|---------------------------------------------------------|-------|--------------------|
|                                                         | £M    | £M                 |
| Sales                                                   | 349.2 | 283.5              |
| Trading Profit (Note 2)                                 | 50.5  | 35.1               |
| Exceptional Item (Note 3)                               | —     | 4.7                |
| Trading Profit after Exceptional Item                   | 50.5  | 39.8               |
| Research and Development Written Off                    | 11.7  | 9.2                |
|                                                         | 38.8  | 30.6               |
| Interest (Note 4)                                       | 22.8  | 12.0               |
|                                                         | 16.0  | 18.6               |
| Share of Profits less Losses of<br>Associated Companies | 0.1   | 0.3                |
| Profit before Taxation                                  | 16.1  | 18.9               |
| Taxation (Note 8)                                       | 1.2   | 1.4                |
| Profit after Taxation                                   | 14.9  | 17.5               |
| Profit attributable to Minority Interests               | 2.0   | 1.5                |
| Profit after Taxation and Minority Interests            | 12.9  | 16.0               |
| Dividends (Note 9)                                      | 2.7   | 2.7                |
| Profit retained                                         | 10.2  | 13.3               |
| Retained by                                             |       |                    |
| British Nuclear Fuels Limited                           | 7.2   | 11.7               |
| Subsidiary Companies                                    | 3.2   | 1.4                |
| Associated Companies                                    | (0.2) | 0.2                |
|                                                         | 10.2  | 13.3               |
| Statement of Retained Profit/Reserves                   |       |                    |
| Retained Profit for the Year                            | 10.2  | 13.3               |
| Retained Profit/Reserves at Beginning of Year           |       |                    |
| As previously reported                                  | 41.1  | 29.6               |
| Prior year adjustment (Note 10)                         | 4.7   | 2.9                |
| As restated                                             | 45.8  | 32.5               |
| Retained Profit/Reserves at End of Year                 | 56.0  | 45.8               |

The Accounting Policies on pages 17 and 18 and notes on pages 22 to 31 form an integral part of the accounts.

The Auditors' Report is on page 16.

# Consolidated Balance Sheet

as at 31 March 1981

**BNFL**

|                                                      | 1981  |              | 1980<br>(Restated) |
|------------------------------------------------------|-------|--------------|--------------------|
|                                                      | £M    | £M           | £M                 |
| <b>Assets Employed</b>                               |       |              |                    |
| Fixed Assets (Note 11)                               |       | 464.4        | 291.1              |
| Investments                                          |       |              |                    |
| Associated Companies (Note 12)                       | 0.8   |              | 1.0                |
| Advances to Partnerships (Note 13)                   | 1.7   |              | 1.4                |
|                                                      |       | 2.5          | 2.4                |
|                                                      |       | 466.9        | 293.5              |
| Current Assets (Note 14)                             | 256.6 |              | 242.6              |
| Less Current Liabilities and Provisions<br>(Note 15) | 155.5 |              | 122.8              |
| Net Current Assets                                   |       | 101.1        | 119.8              |
|                                                      |       | 568.0        | 413.3              |
|                                                      |       | <u>568.0</u> | <u>413.3</u>       |
| <b>Financed by</b>                                   |       |              |                    |
| Issued Share Capital (Note 16)                       |       | 32.7         | 32.7               |
| Reserves                                             |       | 56.0         | 45.8               |
| Shareholders' Interest                               |       | 88.7         | 78.5               |
| Minority Interests in a Subsidiary and a Partnership |       | 8.0          | 4.6                |
| Loans (Note 17)                                      |       | 208.5        | 123.1              |
| Deferred Liabilities (Note 18)                       |       | 172.1        | 134.1              |
| Government Grants held as Deferred Credit (Note 19)  |       | 90.7         | 73.0               |
|                                                      |       | 568.0        | 413.3              |
|                                                      |       | <u>568.0</u> | <u>413.3</u>       |

John M Hill  
C Allday

Directors

*John M Hill*  
*C. Allday*

The Accounting Policies on pages 17 and 18 and notes on pages 22 to 31 form an integral part of the accounts.

The Auditors' Report is on page 16.

# Parent Company Balance Sheet

as at 31 March 1981

|                                                      | 1981         |                     | 1980<br>(Restated)  |
|------------------------------------------------------|--------------|---------------------|---------------------|
|                                                      | £M           | £M                  | £M                  |
| <b>Assets Employed</b>                               |              |                     |                     |
| Fixed Assets (Note 11)                               |              | 336.5               | 205.3               |
| Interests in Subsidiary Companies (Note 20)          |              | 74.6                | 24.7                |
| Investments                                          |              |                     |                     |
| Associated Companies (Note 12)                       |              | 0.5                 | 0.5                 |
|                                                      |              | <u>411.6</u>        | <u>228.5</u>        |
| Current Assets (Note 14)                             | 221.6        |                     | <u>216.8</u>        |
| Less Current Liabilities and Provisions<br>(Note 15) | <u>145.3</u> |                     | <u>105.0</u>        |
| Net Current Assets                                   |              | <u>76.3</u>         | <u>111.8</u>        |
|                                                      |              | <u>487.9</u>        | <u>340.3</u>        |
|                                                      |              | <u><u>487.9</u></u> | <u><u>340.3</u></u> |
| <b>Financed by</b>                                   |              |                     |                     |
| Issued Share Capital (Note 16)                       |              | 32.7                | 32.7                |
| Reserves (Note 21)                                   |              | <u>57.9</u>         | <u>48.8</u>         |
| Shareholders' Interest                               |              | 90.6                | 81.5                |
| Loans (Note 17)                                      |              | 194.9               | 108.0               |
| Deferred Liabilities (Note 18)                       |              | 157.9               | 119.5               |
| Government Grants held as Deferred Credit (Note 19)  |              | <u>44.5</u>         | <u>31.3</u>         |
|                                                      |              | <u>487.9</u>        | <u>340.3</u>        |
|                                                      |              | <u><u>487.9</u></u> | <u><u>340.3</u></u> |

John M Hill  
C Allday

Directors

*John M Hill*  
*C. Allday*

The Accounting Policies on pages 17 and 18 and notes on pages 22 to 31 form an integral part of the accounts.

The Auditors' Report is on page 16.

# Notes on the Accounts

**BNFL**

- 1** During the year there has been a change in accounting policy (see Note 10). The relevant 1980 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 a target 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:

|                                                                                                                                             | 1981            | 1980<br>(Restated) |
|---------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------|
|                                                                                                                                             | £M              | £M                 |
| Regional Development Grants released                                                                                                        | 4.1             | 3.6                |
| Centrifuge Assistance released                                                                                                              | 2.7             | 2.1                |
|                                                                                                                                             | <u>        </u> | <u>        </u>    |
| and after charging:                                                                                                                         |                 |                    |
| Additional amount required to reflect known changes, in techniques, timing and price levels, on opening provisions and deferred liabilities | 22.6            | 13.5               |
| Directors' Emoluments                                                                                                                       |                 |                    |
| Fees £10,500 (1980 £9,000)                                                                                                                  | —               | —                  |
| Management                                                                                                                                  | 0.2             | 0.1                |
| Depreciation                                                                                                                                | 27.2            | 18.3               |
| Hire of Plant and Equipment                                                                                                                 | 2.8             | 1.6                |
| Royalties to UKAEA                                                                                                                          | 1.9             | 2.1                |
| Contributions to Superannuation funds (Note 5)                                                                                              | 12.8            | 9.3                |
| Auditors' Remuneration £41,200 (1980 £33,350)<br>(Parent £35,000 (1980 £27,000))                                                            | —               | —                  |

## **3 Exceptional Item (1980)**

Provision for decommissioning no longer required following clarification of recovery arrangements with customers.

## **4 Interest**

|                                                 | 1981            | 1980            |
|-------------------------------------------------|-----------------|-----------------|
|                                                 | £M              | £M              |
| Interest on loans: repayable within five years  | 16.7            | 10.3            |
| repayable after five years                      | 5.1             | 2.1             |
|                                                 | <u>        </u> | <u>        </u> |
|                                                 | 21.8            | 12.4            |
| Interest on bank overdraft and short-term loans | 2.5             | 1.1             |
|                                                 | <u>        </u> | <u>        </u> |
|                                                 | 24.3            | 13.5            |
| Less Interest from short term deposits          | 1.5             | 1.5             |
|                                                 | <u>        </u> | <u>        </u> |
|                                                 | 22.8            | 12.0            |
|                                                 | <u>        </u> | <u>        </u> |

## 5 Superannuation Contributions

Employees of the Company are members of the appropriate UKAEA superannuation schemes. The Company's contributions were as follows:—

|                                 | 1981        | 1980       |
|---------------------------------|-------------|------------|
|                                 | £M          | £M         |
| Principal non-industrial scheme | 6.5         | 4.4        |
| Protected persons scheme        | 2.2         | 1.9        |
| Industrial scheme               | 4.1         | 3.0        |
|                                 | <u>12.8</u> | <u>9.3</u> |

## 6 Directors' Emoluments

The emoluments, excluding pension provision by the Company, of the Directors in the various ranges are as follows:

| Range                                   | 1981<br>Number | 1980<br>Number |
|-----------------------------------------|----------------|----------------|
| Nil to £5,000                           | 6              | 5              |
| £10,001 to £15,000                      | —              | 2              |
| £20,001 to £25,000                      | —              | 2              |
| £25,001 to £30,000                      | 2              | 1              |
| £30,001 to £35,000                      | 2              | —              |
| £35,001 to £40,000                      | 1              | —              |
| Emoluments of the Chairman              | £1,667         | Nil            |
| Emoluments of the highest paid Director | £39,195        | £26,624        |

## 7 Employees Earning more than £20,000 per annum

|                    | 1981<br>Number | 1980<br>Number |
|--------------------|----------------|----------------|
| £20,001 to £25,000 | 167            | 9              |
| £25,001 to £30,000 | 6              | —              |
| £30,001 to £35,000 | 2              | —              |

## 8 Taxation

|                         | 1981       | 1980       |
|-------------------------|------------|------------|
|                         | £M         | £M         |
| Overseas Taxation       | 0.1        | 0.1        |
| Associated Companies    | —          | 0.1        |
|                         | <u>0.1</u> | <u>0.2</u> |
| Advance Corporation Tax | 1.1        | 1.2        |
|                         | <u>1.2</u> | <u>1.4</u> |

No charge for corporation tax on the profits of the year arises, as a result of accelerated capital allowances, stock appreciation and other timing differences. The benefit of these amounted (See Note 22) to £M7.1.

**9 Dividends**

|                                                          | 1981<br>£M | 1980<br>£M |
|----------------------------------------------------------|------------|------------|
| Interim dividend paid on 4 December 1980<br>2% (1980 2%) | 0.7        | 0.7        |
| Final Dividend 6½% (1980 6½%)                            | 2.0        | 2.0        |
|                                                          | <u>2.7</u> | <u>2.7</u> |

**10 Prior Year Adjustment**

Previously, the provision for the cost of reprocessing irradiated Calder and Chapelcross fuel discharges has been calculated at the estimated cost in the year in which reprocessing is expected to take place. To bring this provision into line with the treatment of other long term liabilities the Group's policy has been amended so that the provision for reprocessing expected to take place beyond the next twelve months is based on the latest assessment of reprocessing dates and computed at current price levels.

The effect of the change in policy has been to release to retained profit an amount of £M4.7 from the provision at 31 March 1980. In restating the results for the year ended 31 March 1980 the charge against trading profits has been reduced by £M1.8. The remainder, £M2.9, relating to the year ended 31 March 1979 and earlier years has been released to retained profit at that date.

**11 Fixed Assets**

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

|                                          | Freehold<br>Land and<br>Buildings<br>£M | Plant,<br>Machinery,<br>Vehicles,<br>Equipment<br>and<br>Furniture<br>£M | Assets in<br>Course of<br>Construction<br>£M | Total<br>£M |
|------------------------------------------|-----------------------------------------|--------------------------------------------------------------------------|----------------------------------------------|-------------|
| Cost at 1 April 1980                     | 41.9                                    | 202.5                                                                    | 155.9                                        | 400.3       |
| Additions including<br>reclassifications | 17.8                                    | 54.3                                                                     | 128.4                                        | 200.5       |
| Disposals                                | (0.1)                                   | (0.3)                                                                    | —                                            | (0.4)       |
| Cost at 31 March 1981                    | 59.6                                    | 256.5                                                                    | 284.3                                        | 600.4       |
| Depreciation at 1 April 1980             | 19.0                                    | 90.2                                                                     | —                                            | 109.2       |
| Charge for Year                          | 3.8                                     | 23.4                                                                     | —                                            | 27.2        |
| Disposals                                | (0.1)                                   | (0.3)                                                                    | —                                            | (0.4)       |
| Depreciation at 31 March 1981            | 22.7                                    | 113.3                                                                    | —                                            | 136.0       |
| Net book value at<br>31 March 1981       | 36.9                                    | 143.2                                                                    | 284.3                                        | 464.4       |

(b) A summary of fixed assets, held by the Parent Company, is as follows:

|                                          | Freehold<br>Land and<br>Buildings | Plant,<br>Machinery,<br>Vehicles,<br>Equipment<br>and<br>Furniture | Assets in<br>Course of<br>Construction | Total |
|------------------------------------------|-----------------------------------|--------------------------------------------------------------------|----------------------------------------|-------|
|                                          | £M                                | £M                                                                 | £M                                     | £M    |
| Cost at 1 April 1980                     | 38.5                              | 131.8                                                              | 131.0                                  | 301.3 |
| Additions including<br>reclassifications | 17.8                              | 40.7                                                               | 94.7                                   | 153.2 |
| Disposals                                | (0.1)                             | (0.3)                                                              | —                                      | (0.4) |
| Cost at 31 March 1981                    | 56.2                              | 172.2                                                              | 225.7                                  | 454.1 |
| Depreciation at 1 April 1980             | 18.8                              | 79.2                                                               | —                                      | 98.0  |
| Charge for year                          | 3.7                               | 16.3                                                               | —                                      | 20.0  |
| Disposals                                | (0.1)                             | (0.3)                                                              | —                                      | (0.4) |
| Depreciation at 31 March 1981            | 22.4                              | 95.2                                                               | —                                      | 117.6 |
| Net book value at<br>31 March 1981       | 33.8                              | 77.0                                                               | 225.7                                  | 336.5 |

(c) Land included in the above figures at £M1.0 (1980 £M0.5) is all freehold and is not depreciated.

## 12 Investments in Associated Companies

|                           | 1981  |        | 1980  |        |
|---------------------------|-------|--------|-------|--------|
|                           | Group | Parent | Group | Parent |
|                           | £M    | £M     | £M    | £M     |
| Unquoted shares at cost   | 0.3   | 0.3    | 0.3   | 0.3    |
| Loans and advances        | 16.9  | 0.2    | 16.8  | 0.2    |
|                           | 17.2  | 0.5    | 17.1  | 0.5    |
| Less: Amount written off  | 16.7  | —      | 16.6  | —      |
|                           | 0.5   | 0.5    | 0.5   | 0.5    |
| Share of retained profits | 0.3   | —      | 0.5   | —      |
|                           | 0.8   | 0.5    | 1.0   | 0.5    |

The unquoted shares comprise investments in the Associated Companies listed on page 31.

Dividends amounting to £258,303 (1980 £27,865) have been received during the year.

### 13 Advances to Partnerships

BNFL, through its subsidiary companies, is in partnership with Dutch and German organisations in enterprises in the Netherlands and in Germany for the purposes of producing enriched uranium using the centrifuge method. The Group's interest in each of the partnerships is 2% and is stated after deducting the Group's share of losses to date.

### 14 Current Assets

|                                    | 1981         |              | 1980         |              |
|------------------------------------|--------------|--------------|--------------|--------------|
|                                    | Group<br>£M  | Parent<br>£M | Group<br>£M  | Parent<br>£M |
| Stocks of raw materials and stores | 45.6         | 44.6         | 34.7         | 33.8         |
| Work in Progress                   | 78.8         | 73.6         | 80.9         | 77.5         |
| Finished Products                  | 21.4         | 7.0          | 10.9         | 4.4          |
| Debtors and payments in advance    | 105.0        | 95.4         | 94.6         | 90.7         |
| Short term deposits                | 4.8          | —            | 5.0          | —            |
| Bank and cash balances             | 1.0          | 1.0          | 10.5         | 10.4         |
|                                    | <u>256.6</u> | <u>221.6</u> | <u>242.6</u> | <u>216.8</u> |

Work in Progress is stated after deducting progress payments of £M16.2 (1980 £M8.2)

Debtors include a loan of £433 to an officer of the Company who was not a Director.

### 15 Current Liabilities and Provisions

|                                             | 1981         |              | 1980<br>(Restated) |              |
|---------------------------------------------|--------------|--------------|--------------------|--------------|
|                                             | Group<br>£M  | Parent<br>£M | Group<br>£M        | Parent<br>£M |
| Creditors, accrued liabilities and advances | 92.9         | 86.6         | 88.0               | 73.1         |
| Due to UKAEA                                | 2.1          | 2.1          | 1.1                | 1.1          |
| Provisions                                  | 37.4         | 37.4         | 26.8               | 26.8         |
| Bank loans and overdraft                    | 4.7          | 4.7          | —                  | —            |
| Dividend                                    | 2.0          | 2.0          | 2.0                | 2.0          |
|                                             | <u>139.1</u> | <u>132.8</u> | <u>117.9</u>       | <u>103.0</u> |
| Current portion of long term loans          | 16.4         | 12.5         | 4.9                | 2.0          |
|                                             | <u>155.5</u> | <u>145.3</u> | <u>122.8</u>       | <u>105.0</u> |

|                                                                                                                                                                                                                                                                                                                                   |               |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>16 Share Capital</b>                                                                                                                                                                                                                                                                                                           | 1981          | 1980          |
|                                                                                                                                                                                                                                                                                                                                   | £M            | £M            |
| Ordinary Shares of £1 each                                                                                                                                                                                                                                                                                                        |               |               |
| Authorised                                                                                                                                                                                                                                                                                                                        | 43.0          | 43.0          |
|                                                                                                                                                                                                                                                                                                                                   | <u>      </u> | <u>      </u> |
| Issued and Fully Paid                                                                                                                                                                                                                                                                                                             | 32.7          | 32.7          |
| <b>17 Loans</b>                                                                                                                                                                                                                                                                                                                   | 1981          | 1980          |
|                                                                                                                                                                                                                                                                                                                                   | £M            | £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                                                                                                                                                                                            |               |               |
| 5 <sup>1</sup> / <sub>2</sub> % 1993                                                                                                                                                                                                                                                                                              | 15.0          | 16.2          |
| 9 <sup>1</sup> / <sub>8</sub> % 1995                                                                                                                                                                                                                                                                                              | 0.7           | 0.7           |
| 5 <sup>1</sup> / <sub>2</sub> % 1995                                                                                                                                                                                                                                                                                              | 4.2           | 4.6           |
|                                                                                                                                                                                                                                                                                                                                   | <u>      </u> | <u>      </u> |
|                                                                                                                                                                                                                                                                                                                                   | 19.9          | 21.5          |
| From National Loans Fund. Unsecured and repayable over the period up to the terminal date shown below in equal instalments of interest and principal                                                                                                                                                                              |               |               |
| 11 <sup>3</sup> / <sub>8</sub> % 1991                                                                                                                                                                                                                                                                                             | 8.1           | 8.5           |
| From Consortium of twenty-five banks. This unsecured loan is guaranteed by HM Government and repayable in four annual instalments commencing 31 March 1982. Interest is payable at rates 1 <sup>1</sup> / <sub>4</sub> % and 1% above the London Inter-bank rate                                                                  | 100.0         | 75.0          |
| From European Investment Bank. These unsecured loans are guaranteed by HM Government and are repayable at six-monthly intervals between the dates shown below.                                                                                                                                                                    |               |               |
| 11 <sup>3</sup> / <sub>8</sub> % 25.5.83 — 25.11.93                                                                                                                                                                                                                                                                               | 5.0           | 5.0           |
| 12 <sup>7</sup> / <sub>8</sub> % 25.5.83 — 25.11.93                                                                                                                                                                                                                                                                               | 5.0           | —             |
| 12 <sup>21</sup> / <sub>32</sub> % 10.4.84 — 10.10.94                                                                                                                                                                                                                                                                             | 47.3          | —             |
| 12 <sup>13</sup> / <sub>32</sub> % 10.4.84 — 10.10.95                                                                                                                                                                                                                                                                             | 19.8          | —             |
| From National Westminster Bank Ltd. Guaranteed by The Secretary of State for Industry, this secured loan is repayable in seventeen equal six-monthly instalments commencing six months after delivery (estimated August 1981) of the asset against which the loan is secured. Interest payable at 7 <sup>1</sup> / <sub>2</sub> % | 2.3           | —             |
|                                                                                                                                                                                                                                                                                                                                   | <u>      </u> | <u>      </u> |
|                                                                                                                                                                                                                                                                                                                                   | 207.4         | 110.0         |
| Less repayable before 31 March 1982 included in current liabilities                                                                                                                                                                                                                                                               | 12.5          | 2.0           |
|                                                                                                                                                                                                                                                                                                                                   | <u>      </u> | <u>      </u> |
| Total, carried forward to page 28                                                                                                                                                                                                                                                                                                 | 194.9         | 108.0         |

## 17 Loans — continued

|                                                                                                                                                                                          | 1981<br>£M   | 1980<br>£M   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------|
| <i>Parent Company</i>                                                                                                                                                                    |              |              |
| Total, brought forward from page 27                                                                                                                                                      | 194.9        | 108.0        |
| <i>Subsidiary Company</i>                                                                                                                                                                |              |              |
| From overseas shareholders.                                                                                                                                                              |              |              |
| Unsecured and repayable in two annual instalments commencing 31 March 1982. Interest is payable at 10%                                                                                   | 1.8          | 2.4          |
| Unsecured and repayable in four equal annual instalments commencing 1 July 1981. Interest is payable at 10%                                                                              | 1.5          | 1.5          |
| From National Westminster Bank Ltd.                                                                                                                                                      |              |              |
| Unsecured and repayable in three equal annual instalments commencing 12 July 1981. Interest is payable at 1½% above the London Inter-bank rate                                           | 3.0          | 4.0          |
| Guaranteed by The Secretary of State for Industry, this secured loan is repayable in equal six-monthly instalments between 25 July 1981 and 25 January 1986. Interest is payable at 7½%  | 4.2          | 5.8          |
| Guaranteed by The Secretary of State for Industry, this secured loan is repayable in equal six-monthly instalments between 14 August 1981 and 14 August 1987. Interest is payable at 7½% | 7.0          | 4.3          |
|                                                                                                                                                                                          | <u>17.5</u>  | <u>18.0</u>  |
| Less repayable before 31 March 1982 included in current liabilities                                                                                                                      | 3.9          | 2.9          |
|                                                                                                                                                                                          | <u>13.6</u>  | <u>15.1</u>  |
| Total for Group                                                                                                                                                                          | <u>208.5</u> | <u>123.1</u> |
| Of which the aggregate amount of loans repayable after 5 years is:—                                                                                                                      | <u>91.0</u>  | <u>26.7</u>  |

## 18 Deferred Liabilities

|                                                                        | 1981         |              | 1980<br>(Restated) |              |
|------------------------------------------------------------------------|--------------|--------------|--------------------|--------------|
|                                                                        | Group<br>£M  | Parent<br>£M | Group<br>£M        | Parent<br>£M |
| Decommissioning                                                        | 44.5         | 44.0         | 35.3               | 35.1         |
| Advance Payments received and receivable under long-term contracts     | 95.7         | 82.0         | 61.1               | 46.7         |
| Long-term storage                                                      | 25.4         | 25.4         | 22.5               | 22.5         |
| Reprocessing of irradiated fuel discharged from Calder and Chapelcross | 6.5          | 6.5          | 15.2               | 15.2         |
|                                                                        | <u>172.1</u> | <u>157.9</u> | <u>134.1</u>       | <u>119.5</u> |



## 19 Government Grants Held As Deferred Credit

|                             | 1981        |              | 1980        |              |
|-----------------------------|-------------|--------------|-------------|--------------|
|                             | Group<br>£M | Parent<br>£M | Group<br>£M | Parent<br>£M |
| Regional Development Grants | 66.6        | 44.5         | 46.2        | 31.3         |
| Centrifuge Project          | 24.1        | —            | 26.8        | —            |
|                             | <u>90.7</u> | <u>44.5</u>  | <u>73.0</u> | <u>31.3</u>  |

HM Government provided financial support to the Group related to the cost of a defined initial programme of development work and plant construction in connection with the tripartite centrifuge project. In return, the Group has undertaken to make payments to the Department of Energy out of profits accruing from its centrifuge operations in future years.

## 20 Interests in Subsidiary Companies

|                                          | 1981<br>£M  | 1980<br>£M  |
|------------------------------------------|-------------|-------------|
| Unquoted shares at cost                  | 1.3         | 1.3         |
| Convertible Unsecured Loan Stock at Cost | 21.0        | 21.0        |
|                                          | <u>22.3</u> | <u>22.3</u> |
| Provision for losses                     | 7.2         | 5.9         |
|                                          | <u>15.1</u> | <u>16.4</u> |
| Amount owing by Subsidiary Companies     | 59.5        | 8.3         |
|                                          | <u>74.6</u> | <u>24.7</u> |

The subsidiary companies are listed on page 31.

## 21 Parent Company Reserves

|                                          | £M          |
|------------------------------------------|-------------|
| Balance at 1 April 1980                  |             |
| As previously reported                   | 44.1        |
| Prior year adjustment ( <i>Note 10</i> ) | 4.7         |
|                                          | <u>48.8</u> |
| As restated                              | 48.8        |
| Profit retained                          | 9.1         |
|                                          | <u>57.9</u> |
| Balance at 31 March 1981                 |             |

Parent Company reserves include £M6.7 (1980 £M4.9) profit on transactions with Urenco (UK) Partnership and subsidiary companies, which is eliminated on consolidation.

**22 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 expected charge for depreciation.

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

|                                                                                                                                                 | 1981        |              | 1980<br>(Restated) |              |
|-------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------|--------------------|--------------|
|                                                                                                                                                 | Group<br>£M | Parent<br>£M | Group<br>£M        | Parent<br>£M |
| Excess of book written down value of fixed assets eligible for taxation capital allowances over the taxation written down value of those assets | 189.9       | 145.4        | 109.3              | 88.6         |
| Taxation liabilities postponed by stock appreciation relief                                                                                     | 44.3        | 36.7         | 41.0               | 34.2         |
| The benefit of taxation losses carried forward                                                                                                  | (143.0)     | (99.3)       | (76.1)             | (55.3)       |
| Timing differences between the charging of particular items in the accounts and their equivalent deduction for taxation purposes                | (49.5)      | (49.4)       | (40.7)             | (40.6)       |
| Recoverable UK Advance Corporation Tax                                                                                                          | (4.0)       | (4.0)        | (2.9)              | (2.9)        |
|                                                                                                                                                 | <u>37.7</u> | <u>29.4</u>  | <u>30.6</u>        | <u>24.0</u>  |

**23 Capital Expenditure Authorised**

Capital expenditure authorised but not provided for in these accounts amounted to £M660 (1980 £M666) for the Group including £M559 (1980 £M537) for the Company, of which £M147 (1980 £M131) has been contractually committed by the Group and £M105 (1980 £M59) by the Company.

**24 Contingent Liabilities**

At 31 March 1981 the Parent Company had contingent liabilities incurred in the ordinary course of business arising out of guarantees and other transactions in respect of which, in the opinion of the Directors, no material losses are expected to arise.

# Subsidiary and Associated Companies

## 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 (96%

partner in Urenco (UK)), and BNFL Enrichment (Operations-Europe) Limited (2% partner in Urenco Nederland and Urenco Deutschland).

### Pacific Nuclear Transport Limited

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

BNFL holds 62½% of the shares. The remainder are held by Japanese and French shareholders.

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## 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.

### NTL — Nukleare Transportleistungen GmbH

Incorporated in Germany in 1979 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 organisations.

### 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.

# Consolidated Source and Application of Funds Statement

for the year ended 31 March 1981

BNFL

|                                                                                                                                    | 1981  |        | 1980<br>(Restated) |        |
|------------------------------------------------------------------------------------------------------------------------------------|-------|--------|--------------------|--------|
|                                                                                                                                    | £M    | £M     | £M                 | £M     |
| <b>Source of Funds</b>                                                                                                             |       |        |                    |        |
| Profit before Taxation                                                                                                             |       | 16.1   |                    | 18.9   |
| Adjustments for items not involving<br>movements of funds:                                                                         |       |        |                    |        |
| (Profit)/Loss retained in Associated<br>Companies                                                                                  |       | 0.2    |                    | (2.3)  |
| Depreciation                                                                                                                       |       | 27.2   |                    | 18.3   |
| Government Grants released                                                                                                         |       | (6.8)  |                    | (5.7)  |
| Increase in amounts set aside for long-<br>term storage, decommissioning and<br>reprocessing Calder/Chapelcross<br>irradiated fuel |       | 3.4    |                    | 4.8    |
| Total generated from operations                                                                                                    |       | 40.1   |                    | 36.0   |
| Funds from Other Sources                                                                                                           |       |        |                    |        |
| Advance payments under long-term<br>contracts                                                                                      |       | 34.6   |                    | 13.3   |
| Government Grants receivable                                                                                                       |       | 24.5   |                    | 20.0   |
| Loans received                                                                                                                     | 102.6 |        | 30.8               |        |
| Less increase in amounts repayable<br>within one year                                                                              | 11.5  |        | 0.5                |        |
| Increase in Minority Interests in a<br>subsidiary and a partnership                                                                |       | 91.1   |                    | 30.3   |
|                                                                                                                                    |       | 3.4    |                    | (8.3)  |
|                                                                                                                                    |       | 193.7  |                    | 91.3   |
| <b>Application of Funds</b>                                                                                                        |       |        |                    |        |
| Purchase of Fixed Assets                                                                                                           | 200.5 |        | 107.4              |        |
| Dividends paid                                                                                                                     | 2.7   |        | 2.9                |        |
| Repayment of Loans                                                                                                                 | 5.7   |        | 4.4                |        |
| Taxation Paid                                                                                                                      | 1.2   |        | 1.3                |        |
| Investment in Partnerships and<br>Associated Company                                                                               | 0.1   |        | (4.5)              |        |
|                                                                                                                                    |       | 210.2  |                    | 111.5  |
|                                                                                                                                    |       | (16.5) |                    | (20.2) |
| <b>Increase/(Decrease) in Working Capital</b>                                                                                      |       |        |                    |        |
| Stocks                                                                                                                             |       | 13.3   |                    | 0.1    |
| Debtors                                                                                                                            |       | 10.4   |                    | 24.0   |
| Creditors                                                                                                                          |       | (25.8) |                    | (47.8) |
| Movement in net liquid funds:                                                                                                      |       |        |                    |        |
| Short term deposits                                                                                                                |       | (0.2)  |                    | (6.8)  |
| Bank and cash balances                                                                                                             |       | (14.2) |                    | 10.3   |
|                                                                                                                                    |       | (14.4) |                    | 3.5    |
|                                                                                                                                    |       | (16.5) |                    | (20.2) |

# Consolidated Current Cost Profit and Loss Account

for the year ended 31 March 1981

|                                                                  | £M   | £M    |
|------------------------------------------------------------------|------|-------|
| Sales                                                            |      | 349.2 |
| Profit before interest and taxation on the historical cost basis |      | 38.9  |
| Less: Current cost operating adjustments ( <i>Note 2</i> )       |      | 25.1  |
| Current cost operating profit                                    |      | 13.8  |
| Gearing adjustment                                               | 15.3 |       |
| Interest                                                         | 22.8 | (7.5) |
| Current cost profit before taxation                              |      | 6.3   |
| Taxation                                                         |      | 1.2   |
| Current cost profit after taxation                               |      | 5.1   |
| Minority interest                                                |      | 1.8   |
| Current cost profit attributable to shareholders                 |      | 3.3   |
| Dividends                                                        |      | 2.7   |
| Current cost profit for the year                                 |      | 0.6   |

## Statement of Retained Profit/Reserves

|                                                       |       |
|-------------------------------------------------------|-------|
| Current cost profit for the year                      | 0.6   |
| Movements on current cost reserve ( <i>Note 4</i> )   | 114.2 |
|                                                       | 114.8 |
| Retained profit/reserves at the beginning of the year | 45.8  |
| Retained profit/reserves at the end of the year       | 160.6 |

The notes on pages 35 to 37 form an integral part of the accounts

The Auditors' Report is on page 16.

# Summarised Consolidated Current Cost Balance Sheet

as at 31 March 1981



|                                        | £M      | £M           |
|----------------------------------------|---------|--------------|
| <b>Assets Employed</b>                 |         |              |
| Fixed Assets ( <i>Note 3</i> )         |         | 563.2        |
| Investments                            |         | 2.5          |
| Net Current Assets:                    |         |              |
| Stock and work in progress             | 130.5   |              |
| Monetary working capital (net)         | (101.8) |              |
| Total working capital                  | 28.7    |              |
| Proposed dividend                      | (2.0)   |              |
| Other current assets (net)             | 11.8    | 38.5         |
|                                        |         | <u>604.2</u> |
| <br><b>Financed by</b>                 |         |              |
| Share capital and reserves:            |         |              |
| Share capital                          | 32.7    |              |
| Current cost reserve ( <i>Note 4</i> ) | 114.2   |              |
| Other reserves and retained profit     | 46.4    | 193.3        |
| Minority Interests                     |         | 9.2          |
| Loans                                  |         | 208.5        |
| Deferred Liabilities                   |         | 95.7         |
| Government Grants                      |         | 57.5         |
|                                        |         | <u>604.2</u> |

The notes on pages 35 to 37 form an integral part of the accounts.

The Auditors' Report is on page 16.

# Notes on the Current Cost Accounts

## 1 Basis of preparation

The current cost accounts have been prepared on the general principles set out in Statement of Standard Accounting Practice No. 16.

The current cost operating profit is derived by making adjustments to profit before interest and taxation as set out in paragraphs (a) (b) and (c) below.

### (a) *Fixed Assets and Depreciation*

In the balance sheet, fixed assets are stated at their value to the business. In those areas of the Group's business where the customers are contractually committed to reimburse to the Group over a period of years the historic cost of the relevant fixed assets, the value to the business of these assets (called below "contractually committed fixed assets") has been taken as the amount at which they are stated in the historical cost accounts. In other cases, fixed assets have been stated at the lower of their net current replacement cost using appropriate Government indices, or their recoverable amount. No depreciation adjustment is made in respect of contractually committed fixed assets: this is replaced by an adjustment similar to the monetary working capital adjustment in recognition of the time which elapses, and the loss that the Group incurs in current cost terms, over the period from the purchase of the relevant fixed asset to the recovery of the historical costs thereof from the customers. In other cases, the depreciation adjustment is the difference between depreciation based on the estimated current cost of fixed assets and the depreciation charged in the historical cost accounts.

### (b) *Stocks and Work in Progress and the Cost of Sales Adjustment*

Stocks and work in progress are restated in the current cost balance sheet at the latest standard cost where appropriate, or by adjusting stock values by use of Government indices, except in the case of stocks which will not be replaced and so have been offset against net borrowings. The cost of sales adjustment has been based on either the averaging method, again using Government indices, or by using current replacement costs.

### (c) *Monetary Working Capital Adjustment*

In order to allow for the full impact of price changes on working capital, an adjustment, analogous to that on cost of sales which covers stocks etc., is made in respect of trade debtors and creditors and reflects the change due to inflation in the need for monetary working capital for the year.

### (d) *Gearing Adjustment*

An adjustment has been made for gearing in recognition that a proportion of the net operating assets is financed by borrowing. Since the obligation to repay borrowing is fixed in monetary amount, it is unnecessary to provide for the impact of price changes on that proportion of the assets so financed when determining the current cost profit attributable to the shareholders.

### (e) *Other Accounting Policies*

Except as set out above, the policies used in the current cost accounts are the same as those used in the historical cost accounts.

## 2 Adjustments made in deriving current cost operating profit

|                                        | £M     |
|----------------------------------------|--------|
| Cost of Sales                          | 5.2    |
| Monetary Working Capital               | (11.5) |
| Working Capital                        | (6.3)  |
| Fixed Assets — Contractually Committed | 18.9   |
| — Others                               | 12.5   |
| Current Cost Operating Adjustments     | 25.1   |

## 3 Fixed Assets

|                                  | Gross<br>£M | Depreciation<br>£M | Net<br>£M |
|----------------------------------|-------------|--------------------|-----------|
| Land and Buildings               | 80.3        | 25.8               | 54.5      |
| Plant and Machinery              | 347.0       | 126.6              | 220.4     |
| Assets in Course of Construction | 288.3       | —                  | 288.3     |
|                                  | 715.6       | 152.4              | 563.2     |

The net figure includes £M320.3 assets which are contractually committed.

## 4 Current Cost Reserve

|                                                  | £M    | £M     |
|--------------------------------------------------|-------|--------|
| Revaluation surpluses reflecting price changes:— |       |        |
| Land and Buildings                               | 19.7  |        |
| Plant and Machinery                              | 88.3  |        |
| Assets in Course of Construction                 | 3.9   |        |
| Stocks and Work in Progress                      | 13.8  |        |
| Government Grants                                | (7.4) | 118.3  |
| Contractually Committed Assets adjustment        |       | 18.9   |
| Cost of Sales adjustment                         |       | 5.2    |
| Monetary Working Capital adjustment              |       | (11.5) |
| Gearing adjustment                               |       | (15.3) |
| Minority Interests                               |       | (1.4)  |
| Balance at 31 March 1981                         |       | 114.2  |
| of which: realised                               |       | 9.6    |
| unrealised                                       |       | 104.6  |
|                                                  |       | 114.2  |

## 5 Financing of Net Operating Assets

|                                                                          | £M      | £M           |
|--------------------------------------------------------------------------|---------|--------------|
| Fixed Assets<br>(net of RDGs relating to contractually committed assets) |         | 489.8        |
| Investments                                                              |         | 2.5          |
| Working Capital                                                          |         | 28.7         |
| <i>Net Operating Assets</i>                                              |         | <u>521.0</u> |
| Share capital and reserves                                               |         | 193.3        |
| Proposed Dividend                                                        |         | 2.0          |
| <i>Total Shareholders' Interest</i>                                      |         | <u>195.3</u> |
| Minority Interests                                                       |         | 9.2          |
| Loans                                                                    | 208.5   |              |
| Deferred Liabilities                                                     | 95.7    |              |
| Government Grants                                                        | 24.1    |              |
| Other Current Assets                                                     | (11.8)  |              |
| <i>Net borrowing</i>                                                     | <u></u> | <u>316.5</u> |
|                                                                          |         | <u>521.0</u> |

## Financial Statistics

|                        | 1981                | 1980                | 1979                | 1978                | 1977                |
|------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                        | £M                  | £M                  | £M                  | £M                  | £M                  |
| <b>Assets Employed</b> |                     |                     |                     |                     |                     |
| Fixed Assets           | 464.4               | 291.1               | 202.0               | 102.8               | 70.5                |
| Investments            | 2.5                 | 2.4                 | 6.9                 | 25.6                | 21.6                |
| Net Current Assets     | 101.1               | 119.8               | 125.0               | 93.8                | 77.9                |
|                        | <u>568.0</u>        | <u>413.3</u>        | <u>333.9</u>        | <u>222.2</u>        | <u>170.0</u>        |
|                        | <u><u>568.0</u></u> | <u><u>413.3</u></u> | <u><u>333.9</u></u> | <u><u>222.2</u></u> | <u><u>170.0</u></u> |
| <b>Financed by</b>     |                     |                     |                     |                     |                     |
| Share Capital          | 32.7                | 32.7                | 32.7                | 32.7                | 32.7                |
| Reserves               | 56.0                | 45.8                | 29.6                | 19.5                | 18.7                |
|                        | <u>88.7</u>         | <u>78.5</u>         | <u>62.3</u>         | <u>52.2</u>         | <u>51.4</u>         |
| Shareholders' Interest | 8.0                 | 4.6                 | 12.9                | 0.4                 | 0.5                 |
| Minority Interest      |                     |                     |                     |                     |                     |
| Loans                  | 208.5               | 123.1               | 97.2                | 83.8                | 55.0                |
| Deferred Liabilities   | 172.1               | 134.1               | 102.8               | 48.8                | 35.0                |
| Government Grants      | 90.7                | 73.0                | 58.7                | 37.0                | 28.1                |
|                        | <u>568.0</u>        | <u>413.3</u>        | <u>333.9</u>        | <u>222.2</u>        | <u>170.0</u>        |
|                        | <u><u>568.0</u></u> | <u><u>413.3</u></u> | <u><u>333.9</u></u> | <u><u>222.2</u></u> | <u><u>170.0</u></u> |

# **Sales and Profits**

|                                                                                                    | 1981         | 1980         | 1979         | 1978         | 1977         |
|----------------------------------------------------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|
|                                                                                                    | £M           | £M           | £M           | £M           | £M           |
| Sales: Nuclear Fuel Services — Home                                                                | 273.5        | 211.3        | 176.1        | 120.4        | 102.3        |
| — Export                                                                                           | 40.8         | 40.7         | 30.2         | 23.2         | 11.1         |
| Electricity                                                                                        | 34.9         | 31.5         | 28.2         | 18.1         | 15.0         |
|                                                                                                    | <u>349.2</u> | <u>283.5</u> | <u>234.5</u> | <u>161.7</u> | <u>128.4</u> |
| Trading Profit (after RDGs and Depreciation)                                                       | 50.5         | 35.1         | 31.1         | 19.1         | 13.0         |
| Regional Development Grants Released                                                               | 4.1          | 3.6          | 2.0          | 1.9          | 2.2          |
| Depreciation                                                                                       | 27.2         | 18.3         | 11.2         | 9.5          | 7.8          |
| Exceptional Item                                                                                   | —            | 4.7          | —            | —            | —            |
| Research and Development Written Off                                                               | 11.7         | 9.2          | 9.7          | 7.8          | 0.4          |
| Interest                                                                                           | 22.8         | 12.0         | 8.4          | 6.1          | 3.4          |
| Share of Profits Less (Losses) of Associated Companies                                             | 0.1          | 0.3          | 0.3          | 0.2          | (1.7)        |
| Profit before Taxation                                                                             | 16.1         | 18.9         | 13.3         | 5.4          | 7.5          |
| Taxation                                                                                           | 1.2          | 1.4          | 1.3          | 0.8          | 4.3          |
| Profit after Taxation                                                                              | 14.9         | 17.5         | 12.0         | 4.6          | 3.2          |
| Profit/(Loss) Attributable to Minority Interests                                                   | 2.0          | 1.5          | (0.5)        | (0.1)        | —            |
| Profit after taxation and Minority Interests                                                       | 12.9         | 16.0         | 12.5         | 4.7          | 3.2          |
| Dividends                                                                                          | 2.7          | 2.7          | 2.2          | 1.3          | 0.3          |
| Profit retained                                                                                    | 10.2         | 13.3         | 10.3         | 3.4          | 2.9          |
| Profit after taxation and Minority Interests as a Percentage of average Shareholders' Interest (%) | 15.4         | 22.3         | 21.8         | 9.3          | 6.8          |

NOTE: The above figures are as shown in the published accounts for each year with the exception of those for:-

1980, which have been restated to show the effect of prior year adjustment in respect of Calder/Chapelcross reprocessing.

1979, which were restated following the consolidation of the Urenco (UK) Partnership.

1978, which were restated to show the effect of prior year adjustments in respect of deferred taxation and decommissioning.



*Above. Mr Hector Munro, MP for Dumfries, was guest speaker at celebrations to mark Chapelcross power station's 21st birthday in May 1980. Left to right: Mrs Con Allday, Mr & Mrs Hector Munro, Mr & Mrs David McDougall, Lt Gen. Sir William and Lady Turner and Mr Con Allday.*

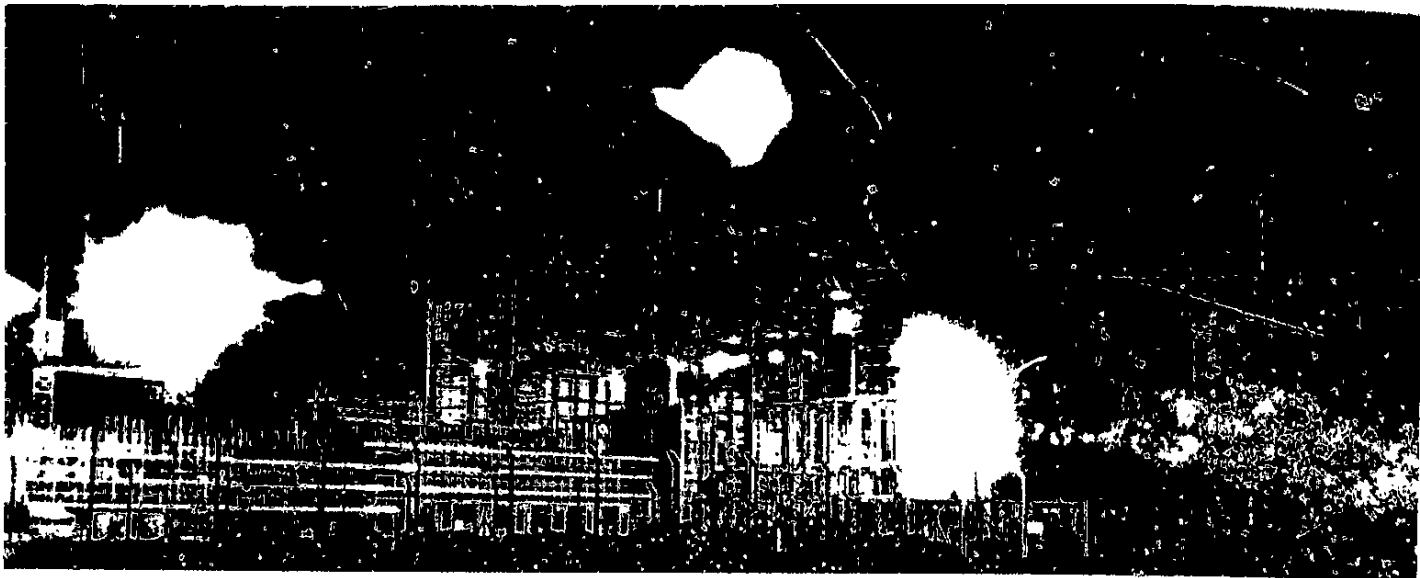
*Right. Four Sellafield apprentices helped to renovate a narrow gauge steam locomotive for display in the Ravenglass railway museum.*



*Below. Malcolm Bolton, a chemist at Springfields works was presented with the Confederation of British Industry's 1980 North West Young Exporter award. Left to right: Ed Prytherch — a Group Manager in Engineering Department (Instruments), Malcolm Bolton, Harold Dibben — General Manager at Springfields and Jim Mundell — Chairman of the CBI's North West Regional Council.*



*Above. D'legates at a one day seminar for its constituent firms which was introduced during the recent post-strike new approach to work.*



*Above: Night view of the new Pond 5 complex at Sellafield.*

*Right: A new 60 tonne crane for loading and unloading cylinders containing uranium hexafluoride ( $UF_6$ ) at the Hex storage tank at Springfields.*

*Bottom: Chester's Northgate Area was one of the venues for the Nuclear Power Information Group's exhibition, Atoms for Energy.*

*Below: London's acting Lord Mayor, Sir Lindsay Ring, (left) presents the Sword of Honour to Chapelcross Health Physics and Safety Manager, Jim Coote, after the station had won Britain's top safety award.*

