

PWR POWER PROJECTS LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1998

REGISTERED NUMBER: 2281663



PWR POWER PROJECTS LIMITED

DIRECTORS' REPORT

The Directors present their report and accounts for the year ended 31 December 1998.

ACTIVITIES AND REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The Company is engaged in the design, procurement and construction of the nuclear steam supply system for Pressurised Water Reactors (PWRs).

The Company has completed its work on short term contracts : certain supplier commitments remain to be discharged.

PROFITS AND DIVIDENDS

The loss for the year after tax amounted to £ Nil (1997 loss - £9,985).
No Dividend was paid or proposed (1997 - Nil).

RESEARCH AND DEVELOPMENT

The Company is involved in the application of known technologies and therefore is not at present engaged on any research and development activities.

SIGNIFICANT CHANGES IN FIXED ASSETS

The Company did not hold any Fixed Assets.

DIRECTORS

The Directors who served during the year were:

J G Durston	(Resigned 30 September 1998)
PR Kershaw	(Appointed 30 September 1998)
J S Marlor	
L G Iller	
T Mistler	(Resigned 1 March 1998)
R G Perez	(Appointed 1 March 1998)

None of the Directors had any beneficial interest in any of the shares of the Company at either the beginning or the end of the year.

None of the Directors has a beneficial interest, other than in the ordinary course of business, in any contract which the Company was a party to during the year.

PWR POWER PROJECTS LIMITED

DIRECTORS' REPORT (continued)

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are required by the Companies Act 1985 to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for the financial year.

The Directors consider that in preparing the financial statements on pages 4 to 11, they have used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all applicable accounting standards have been followed.

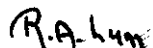
The Directors have responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 1985.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

AUDITORS

Pursuant to Section 386 of the Companies Act 1985 the Company has elected to dispense with the obligation to appoint auditors annually. PricewaterhouseCoopers, who have indicated their willingness to continue in office, will be deemed to be re-appointed each year unless a resolution to terminate their appointment is made under Section 393.

By Order of the Board



R A Lunn
Secretary

Registered Office:
Booths Hall
Chelford Road
Knutsford
Cheshire
WA16 8QU

Registered No. 2281663 England

30 September 1999

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF PWR POWER PROJECTS LIMITED

We have audited the financial statements on pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report, including as described on page 2, the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the Annual Report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

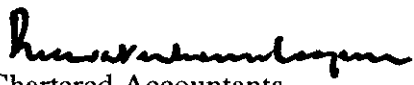
Basis of Audit Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularities or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 1998 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Chartered Accountants
and Registered Auditors

Barbirolli Square
Lower Mosley St
Manchester
M2 3PW

30 September 1999

PWR POWER PROJECTS LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998**

Continuing Operations		<u>1998</u>	<u>1997</u>
		£	£
TURNOVER	2	-	-
Cost of sales		(12,334)	(35,697)
OPERATING LOSS		<u>(12,334)</u>	<u>(35,697)</u>
Interest receivable and similar income		15,834	19,616
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	4	3,500	(16,081)
Taxation	6	(3,500)	6,096
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>-</u>	<u>(9,985)</u>
Dividends paid and proposed		-	-
LOSS RETAINED FOR THE YEAR	12	<u>-</u>	<u>(9,985)</u>
		=====	=====

There are no gains or losses other than those recognised in the profit and loss account.

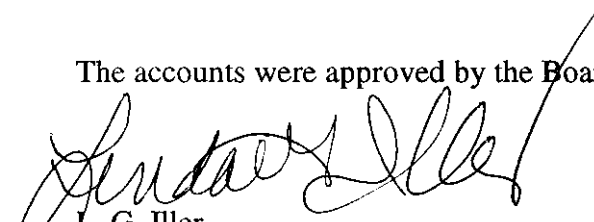
The notes on pages 8 to 11 form part of these accounts.

PWR POWER PROJECTS LIMITED

BALANCE SHEET AT 31 DECEMBER 1998

	<u>Notes</u>	<u>1998</u> £	<u>1997</u> £
CURRENT ASSETS			
Debtors	8	1,185	47
Cash at bank and other investments		93,975	975,735
		<u>95,160</u>	<u>975,782</u>
CREDITORS: Amounts falling due within one year	9	(94,160)	(974,782)
		<u>1,000</u>	<u>1,000</u>
NET CURRENT ASSETS			
		<u>1,000</u>	<u>1,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>1,000</u>	<u>1,000</u>
CAPITAL AND RESERVES			
Called up share capital	11	1,000	1,000
Profit and loss account	12	-	-
		<u>1,000</u>	<u>1,000</u>
SHAREHOLDERS' FUNDS			
		<u>1,000</u>	<u>1,000</u>

The accounts were approved by the Board of Directors on ~~30~~ September 1999


L G Iller
Director

The notes on pages 8 to 11 form part of these accounts.

PWR POWER PROJECTS LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 1998**

	£	<u>1998</u>	£	£	<u>1997</u>	£
Net cash inflow from operating activities (Note a)			(173)			9,508
Returns on investments and servicing of finance						
Interest received			15,834			19,616
Taxation paid			-			(333,942)
Capital expenditure and financial investment						
Proceeds from disposal of tangible fixed assets		-			30,000	
(Advanced to)/Payments from joint owners		(897,421)			-	
		<u> </u>			<u> </u>	
			(897,421)			30,000
			<u> </u>			<u> </u>
Increase/Decrease in cash during the period (Note b)			(881,760)			(274,818)
			<u> </u>			<u> </u>

PWR POWER PROJECTS LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1998 (continued)

a) Reconciliation of operating profit to net cash inflow from operating activities

	<u>1998</u> £	<u>1997</u> £
Operating loss	(12,334)	(35,697)
(Increase)/Decrease in debtors	(1,138)	48,986
Increase/(Decrease) in creditors	13,299	(3,781)
	<u>(173)</u>	<u>9,508</u>
	=====	=====

b) Analysis of changes in net debt

	1 January <u>1998</u> £	<u>Cash Flow</u> £	31 December <u>1998</u> £
Cash at bank and in hand	975,735	(881,760)	93,975
	=====	=====	=====

PWR POWER PROJECTS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1998

1 ACCOUNTING POLICIES

a) Basis of Accounting

The accounts have been prepared in accordance with applicable Accounting Standards and under the historical cost convention.

b) Tangible Assets and Depreciation

Leasehold property was written down in 1996 to anticipated market value, to reflect a permanent diminution in value and has subsequently been disposed of.

c) Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Differences on exchange are dealt with in the profit and loss account.

2 TURNOVER

Turnover comprises the value of work carried out during the year in the United Kingdom and is exclusive of value added tax.

3 INTEREST RECEIVABLE AND SIMILAR INCOME

	<u>1998</u>	<u>1997</u>
	£	£
Bank and other interest receivable	15,834	19,616
	<u> </u>	<u> </u>

4 PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

Profit/(loss) on ordinary activities before taxation is stated after charging:

	<u>1998</u>	<u>1997</u>
	£	£
Auditors' Remuneration - audit	1,000	1,000
- other fees	750	5,750

PWR POWER PROJECTS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1998 (continued)

5 DIRECTORS AND EMPLOYEES

No remuneration was paid to the Directors during the year (1997 Nil) for their services to the Company.

The Company has no employees (1997 Nil).

6 TAXATION

	<u>1998</u> £	<u>1997</u> £
The taxation charge/(credit) which has been provided at 21% is based on the profit for the year and comprises:		
UK Corporation Tax - Current	3,500	4,900
- Prior Year Overprovision	-	(10,996)
	<u>3,500</u>	<u>(6,096)</u>

7 CAPITAL COMMITMENTS

There were no capital commitments at 31 December 1998 (1997 Nil).

PWR POWER PROJECTS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1998 (continued)

8 DEBTORS

	<u>1998</u>	<u>1997</u>
	£	£
Due within one year:		
Other debtors	47	47
VAT repayable	1,138	-
	<u>1,185</u>	<u>47</u>

9 CREDITORS

	<u>1998</u>	<u>1997</u>
	£	£
Amounts falling due within one year:		
Amounts advanced from joint owners	-	897,421
Trade creditors	29,341	28,460
Corporation tax	8,400	4,900
Accruals and deferred income	56,419	44,001
	<u>94,160</u>	<u>974,782</u>

10 DEFERRED TAXATION

No provision is required for deferred taxation.

11 CALLED UP SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
Authorised: Ordinary shares of £1 each	1,000	1,000
	<u>=====</u>	<u>=====</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	1,000	1,000
	<u>=====</u>	<u>=====</u>

12 SHAREHOLDERS' FUNDS

	Share Capital	Profit and Loss and other distributable Reserves	Share- holders' Funds
	£	£	£
At 1 January 1998	1,000	-	1,000
Loss on ordinary activities after taxation	-	-	-
	<u>=====</u>	<u>=====</u>	<u>=====</u>
At 31 December 1998	1,000	-	1,000
	<u>=====</u>	<u>=====</u>	<u>=====</u>

PWR POWER PROJECTS LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1998 (continued)

13 PENSION COMMITMENTS

The company participated in two defined benefit pension schemes, the GEC Pension Plan and the Westinghouse UK Pension Plan.

The Company discharged its obligations under the Plans in 1996.

14 OWNERSHIP

The Company is owned equally by NNC Limited whose ultimate holding company at 31 December, 1998 was General Electric Company plc (a company incorporated in England and Wales) and Westinghouse Electric Energy Systems UK Ltd whose ultimate holding company is CBS Corporation (a company incorporated in the United States of America). On 7 September, 1999 General Electric Company plc sold its interest in NNC Limited to NNC Holdings Limited, NNC Limited's ultimate holding company at 30 September, 1999.

A copy of General Electric Company plc's Group Accounts may be obtained from 1 Bruton Street, London, W1X 8AQ. A copy of CBS Corporation's Group Accounts may be obtained from Westinghouse Building, Gateway Centre, Pittsburgh, PA15222, USA.

15 RELATED PARTY TRANSACTIONS

There were no related party transactions during 1998 and 1997.

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 DATE:28/10 16:43

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