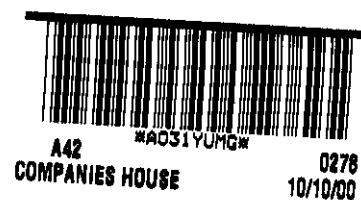


PWR Power Projects Limited
Annual report
for the period ended 31 March 2000

Registered Number 2281663



PWR Power Projects Limited
Annual report
for the period ended 31 March 2000
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PWR Power Projects Limited

Directors' report for the period ended 31 March 2000

The directors present their report and financial statements for the fifteen months ended 31 March 2000.

Principal activities, review of developments and future prospects

During the period the company changed its accounting reference date to 31 March to coincide with that of NNC Limited, the immediate parent undertaking.

The company is engaged in the design, procurement and construction of the nuclear supply system for Pressurised Water Reactors (PWRs). The company has completed its work on short term contracts: certain supplier commitments remain to be discharged.

Results and dividends

The result for the period after tax amounted to £Nil (1998- £Nil).

No dividend was paid or proposed (1998 – 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.

Directors

The directors who served during the year were:

P R Kershaw

P N Lanigan (appointed 1 November 1999)

D F Kremen (appointed 29 February 2000)

R G Perez

J S Marlor (resigned 30 September 1999)

L G Iller (resigned 29 February 2000)

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 period.

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 period.

Directors' responsibility statement

Company law requires the directors to prepare financial statements for each financial period that give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

The directors confirm that suitable accounting policies have been used and applied consistently. They also confirm that reasonable and prudent judgements and estimates have been made in preparing the financial statements for the period ended 31 March 2000, that applicable accounting standards have been followed and that it is appropriate to prepare the accounts on the going concern basis.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PWR Power Projects Limited

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

A handwritten signature in cursive script, appearing to read 'F A don Carolis', written in dark ink.

F A don Carolis

Secretary

12 September 2000

PWR Power Projects Limited

Auditors' report to the members of PWR Power Projects Limited

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the annual report. As described on page 1, this includes responsibility for preparing the financial statements, in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom 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 United Kingdom 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.

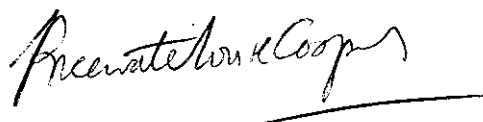
Basis of audit opinion

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 misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 March 2000 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
Manchester
12 September 2000

PWR Power Projects Limited

Profit and loss account for the fifteen months ended 31 March 2000

	Note	15 months ended 31 March 2000 £	Year ended 31 December 1998 £
Turnover		-	-
Cost of sales		(2,305)	(12,334)
Operating loss		(2,305)	(12,334)
Interest receivable	3	2,122	15,834
Interest payable		(177)	-
(Loss)/profit on ordinary activities before taxation	4	(360)	3,500
Taxation	6	360	(3,500)
Result for the financial period		-	-

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

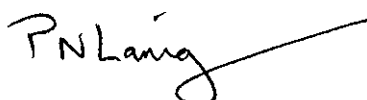
The notes on pages 6 to 9 form part of these accounts.

PWR Power Projects Limited

Balance sheet as at 31 March 2000

	Note	31 March 2000 £	31 December 1998 £
Current assets			
Debtors	8	47	1,185
Cash at bank and in hand		80,542	93,975
		80,589	95,160
Creditors: amounts falling due within one year	9	(79,589)	(94,160)
Net current assets		1,000	1,000
Net assets		1,000	1,000
Capital and reserves			
Called up share capital	10	1,000	1,000
Profit and loss account		-	-
Total equity shareholders' funds		1,000	1,000

The accounts were approved by the Board of Directors on 12 September 2000 and were signed on its behalf by:



P N Lanigan
Director

The notes on page 6 to 9 form part of these accounts.

PWR Power Projects Limited

Notes to the financial statements for the period ended 31 March 2000

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) 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 period in the United Kingdom and is exclusive of value added tax.

3 INTEREST RECEIVABLE

	15 months ended 31 March 2000 £	Year ended 31 December 1998 £
Bank and other interest receivable	2,122	15,834

4 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

(Loss)/profit on ordinary activities before taxation is stated after charging:

	15 months ended 31 March 2000 £	Year ended 31 December 1998 £
Auditors' remuneration - audit	1,000	1,000
- other fees	-	750

PWR Power Projects Limited

Notes to the financial statements for the period ended 31 March 2000

5 DIRECTORS AND EMPLOYEES

No remuneration was paid to the Directors during the period (1998: Nil) for their services to the company.

The company has no employees (1998: Nil).

6 TAXATION

	15 months ended 31 March 2000 £	Year ended 31 December 1998 £
The taxation (credit)/charge which has been provided at 21% is based on the result for the period and comprises:		
UK corporation tax - current	450	3,500
- prior year overprovision	(810)	-
	(360)	3,500

7 CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2000 (December 1998: Nil).

PWR Power Projects Limited

Notes to the financial statements for the period ended 31 March 2000

8 DEBTORS

	31 March 2000 £	31 December 1998 £
Due within one year:		
Other debtors	47	47
VAT recoverable	-	1,138
	47	1,185

9 CREDITORS

	31 March 2000 £	31 December 1998 £
Amounts falling due within one year:		
Trade creditors	21,165	29,341
Corporation tax	450	8,400
Accruals and deferred income	57,781	56,419
Taxation and social security	193	-
	79,589	94,160

PWR Power Projects Limited

Notes to the financial statements for the period ended 31 March 2000

10 CALLED UP SHARE CAPITAL

	31 March 2000 £	31 December 1998 £
Authorised: Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid: Ordinary shares of £1 each	1,000	1,000

11 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.

12 OWNERSHIP

The company is owned equally by NNC Limited whose ultimate holding company at 31 March 2000 was NNC Holdings Limited (a company incorporated in England and Wales) and Westinghouse Electric Energy Systems UK Limited, whose ultimate holding company is BNF plc (a company incorporated in England and Wales).

A copy of NNC Holdings Limited's accounts may be obtained from Companies House. A copy of BNF plc's accounts may be obtained from Companies House.

13 RELATED PARTY TRANSACTIONS

There were no related party transactions during the fifteen months ended 31 March 2000 and year ended 31 December 1998.