

PWR Power Projects Limited

**Directors' report and financial
statements**

Registered number 02281663

31 December 2007



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Directors and advisors

Directors

IG Clarkson
DF Kremen
R Perez Gutierrez
K Smith

Secretary

C Fellowes

Registered office

Booths Park
Chelford Road
Knutsford
Cheshire
WA16 8QZ

Auditors

KPMG Audit Plc
St James' Square
Manchester
M2 6DS

Registered number

02281663

Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2007

Principal activities

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

Principal Risks and Uncertainties

The main operational risks of the business include health and safety and failure to meet client expectations. The management of health and safety risk includes a Health and Safety Manual, risk assessments and internal audits. The other operational risks are managed by ensuring all project managers are suitably qualified and experienced to perform their current role plus all significant contracts undergo regular reviews.

The company's commercial risks include unprofitable contracts, lower than forecast work volumes due to volatility of public and private sector spending programmes, and bad debts. All potential new business undergoes both a comprehensive tender review and profit study before being tendered for.

Other risks include compliance with laws and regulations and potential changes in the regulatory environment.

Environment and Sustainability

Our aim is to cause no harm to people and to protect, and where we can, improve the environment. In striving to achieve this goal, we implement effective health, safety and environmental management systems, encourage and promote the adoption of safe working practices and engage our people and business partners in driving continuous performance improvement.

Environmental Guiding Principle: We strive to protect and improve the environment wherever we can, minimising harm. We choose and promote effective environmental management systems and practices whenever possible. We are committed to continuous improvement of our environmental performance.

We have a high level of commitment to safety that starts at the President of AMEC's nuclear business and is cascaded through a system of personal SHE Action Plans to all senior managers.

Our integrated Environmental and Safety Management Systems Standards are accredited to ISO 14001 2004 and BS OHSAS 18001 2007. The certificate covers all of our offices and sites.

Creditor payment policy

As a subsidiary of AMEC plc, the company is responsible for agreeing terms and conditions under which transactions with its suppliers are conducted. It is group policy that payments to suppliers are made in accordance with these terms and conditions, provided that the supplier complies with all of its obligations in this regard.

Results and dividends

The result for the year after tax amounted to £Nil (2006 £Nil)

No dividend was paid or proposed (2006 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 and directors' interests

The directors who held office during the year were as follows

PD Highton (resigned 9 March 2007)
S Sadler (resigned 31 January 2008)
DF Kremen
R Perez Gutierrez

K Smith was appointed as a director on 21 May 2007

IG Clarkson was appointed as a director on 1 February 2008

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.

Third party indemnity provisions

Certain directors benefited from qualifying third party indemnity insurance provisions in place during the financial year and at the date of this report.

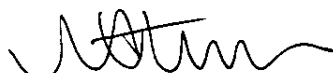
Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG Audit plc as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



C Fellowes
Secretary

Booths Park
Chelford Road
Knutsford
Cheshire
WA16 8QZ

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare accounts for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice)

The accounts are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss for that period

In preparing these accounts, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They 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

Independent auditor's report to the members of PWR Power Projects Limited

We have audited the financial statements of PWR Power Projects Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 6.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 judgments 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.

**Independent auditor's report to the members of PWR Power Projects Limited
(continued)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its result for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

KPMG Audit Plc
KPMG Audit plc
Chartered Accountants
Registered Auditor
St James' Square
Manchester
M2 6DS
United Kingdom

3 November 2008

Profit and Loss Account
for the year ended 31 December 2007

		Year ended 31 December 2007	Year ended 31 December 2006
	<i>Note</i>	£000	£000
Turnover		-	-
Administrative expenses		(3)	(1)
Gross loss		(3)	(1)
Interest receivable	2	3	1
Result for the financial year		-	-

All the above activities relate to continuing operations

There were no recognised gains or losses in the year other than the result for the year

Balance Sheet
At 31 December 2007

		31 December 2007	31 December 2006
	<i>Note</i>	£000	£000
Current assets			
Cash at bank and in hand		76	73
Creditors amounts falling due within one year	4	(75)	(72)
Net assets		1	1
Capital and reserves			
Called up share capital	5	1	1
Profit and loss account		-	-
Equity shareholders' funds		1	1

These financial statements were approved by the board of directors on 30 October 2008 and were signed on its behalf by



IG Clarkson
Director

Notes to the Financial Statements for the year ending 31st December 2007
(forming part of the financial statements)

1 Accounting policies

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 1985, applicable accounting standards and the accounting policies which are set out below and have been consistently applied

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds of its size

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account

Turnover

Turnover represents amounts receivable, excluding value added tax, for consultancy services provided during the year in the ordinary course of business. Both turnover and profit on ordinary activities derive from a single class of business in the United Kingdom

2 Interest receivable

	2007 £000	2006 £000
Bank and other interest receivable	3	1

3 Remuneration of directors

No remuneration was paid to the Directors during the year (2006 Nil) for their services to the company. The company has no employees (2006 Nil)

Notes (continued)

4 Creditors: amounts falling due within one year

	2007 £000	2006 £000
Corporation tax	1	1
Amounts owing to related parties	74	71
	<u>75</u>	<u>72</u>

5 Called up share capital

	2007 £000	2006 £000
<i>Authorised</i>		
1,000 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>
<i>Allotted, called up and fully paid</i>		
1,000 ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

6 Related party transactions

During the financial year, the company generated no turnover from AMEC Nuclear UK Limited (2006 £nil). Included in creditors at 31 December 2007 is a trading balance of £74,000 (2006 £71,000) owing to AMEC Nuclear UK Limited.

7 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Company is owned equally by AMEC Nuclear UK Limited whose ultimate holding company at 31 December 2007 is AMEC plc (a company incorporated in England and Wales) and Westinghouse Electric Energy Systems UK Limited, whose ultimate holding company is Toshiba Corporation (a company incorporated in Japan).

A copy of AMEC plc's financial statements may be obtained from Booths Park, Chelford Road, Knutsford, Cheshire, WA16 8QZ. A copy of Westinghouse Electric Energy Systems UK Limited financial statements may be obtained from Companies House.