

ANNUAL REPORT

COMBINED NUCLEAR PENSION PLAN

FOR THE PERIOD ENDED

31 MARCH 2007

Scheme registration number: 10275683

**Combined Nuclear Pension Plan
Annual report
For the period ended 31 March 2007**

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**Combined Nuclear Pension Plan
Annual report (continued)
For the period ended 31 March 2007**

Trustee and Plan Advisers

Trustee

Combined Nuclear Pension Plan Trustees Limited

Trustee Directors

Name	Nominated by	Date of appointment	Date of resignation
Mr A. Cooper (Chairman)	Lead Company	1 October 2006	
Mr I. Driver	Members	1 October 2006	
Miss F. Draper	Members	1 October 2006	
Mr P. Graham	Members	1 October 2006	
Mrs F. Hammond	Lead Company	1 October 2006	
Mr W. Roberts	Lead Company	1 October 2006	
Dr P. Vaughan	Lead Company	1 October 2006	
Mr J. Watson	Members	1 October 2006	
Secretary to the Trustee: Mr S Hayton			

Scheme Actuary

James Atherton
Deloitte Total Reward and Benefits Ltd
Stonecutter Court
1 Stonecutter Street
London
EC 4TR

Actuarial Adviser

Deloitte Total Reward and Benefits Ltd
2 Hardman Street
Manchester
M3 3HF

Auditor

KPMG LLP
St James' Square
Manchester
M2 6DS

Legal Advisor

Hammonds
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH

Bankers

Royal Bank of Scotland
11 Orlig Street
Thurso
KW14 7BL

Plan Administrators

UKAEA, Pensions Administration Office
Brownhill Lodge
Thurso
KW14 7BA

Investment Consultant

Hymans Robertson LLP
One London Wall
London
EC2Y 5EA

Defined Benefit Investment Managers

Legal & General Assurance (Pensions Management) Ltd
Bucklersbury House
3 Queen Victoria Street
London
EC4N 8NH

Defined Contribution Investment Managers

Prudential
5 Laurence Pountney Hill
London
EC4R 0HH

Life Insurer

BUPA
Victoria Harbour City
Quays Loop Road
Manchester
M50 3SP

Participating Employer

Springfields Fuels Limited
Salwick
Preston
PR4 0XJ

Secretary to the Trustee

Combined Nuclear Pension Plan
NDA Harwell Office
Curie Avenue
Harwell Science & Innovation Campus
Didcot
OX11 0RH

Combined Nuclear Pension Plan

Trustee's report

For the period ended 31 March 2007

Introduction

The Combined Nuclear Pension Plan (the Plan) was established with effect from 1 October 2006. On 16 October 2006, it admitted its first 1,375 members. The first year end accounting period will be 31 March 2007.

The Plan has two categories of membership:

- The Defined Benefit Structure which provides benefits based on a member's salary and length of service. In addition, members of the Defined Benefit Structure may make contributions based upon shift pay to a defined contribution arrangement; the Shift Pay Pension Plan. The Defined Benefit Structure is contracted out of the State pension arrangements. The Defined Benefit Structure is closed to new employees of the participating employers. Members of the Defined Benefit Structure are able to make additional voluntary contributions (AVC's) to secure additional benefits.
- The Defined Contribution Structure which provides benefits based on what a member's accumulated fund value will purchase. This Structure is set up to provide new employees of the participating employers with a contracted-in defined contribution arrangement.

Management of the Plan

The Trustee Directors who have served during the period are noted on page 3.

The Trustee is appointed and may be removed from office and replaced by another corporate trustee by the Lead Company, the Nuclear Decommissioning Authority (NDA), in accordance with the provisions of the Trust Deed.

There are eight Trustee Directors. Four of whom are selected by the Lead Company (employer directors) and four by the members (member directors). Initially the member directors have been selected by the unions, but in future they will be selected by the members of the Plan. The employer directors are appointed for an indefinite term. The member directors will be appointed by election of the members, for a fixed period of no more than 4 years. The Lead Company shall appoint the Chairman of the Trustee from among the Trustee Directors.

Further information about the Plan can be found in the Trust Deed and Rules on the CNPP website (www.cnpp.org.uk).

**Combined Nuclear Pension Plan
Trustee's report (continued)
For the period ended 31 March 2007**

Statement of Trustee's responsibilities

The audited financial statements, which are to be prepared in accordance with UK Generally Accepted Accounting Practice (UK GAAP), are the responsibility of the Trustee. Pension scheme regulations require the Trustee to make available to Plan members, beneficiaries and certain other parties audited financial statements for each Plan year which:

- show a true and fair view of the financial transactions of the scheme during the Plan year and of the amount and disposition at the end of the scheme year of the assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Plan year; and
- contain the information specified in the Schedule to the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, including a statement whether the accounts have been prepared in accordance with the Statement of Recommended Practice, 'Financial Reports of Pension Schemes'.

The Trustee has supervised the preparation of the financial statements and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. It is also responsible for making available each year, information about the Plan prescribed by pensions legislation, which they should ensure is consistent with the financial statements it accompanies.

The Trustee also has certain responsibilities in respect of contributions which are set out in the statement of Trustee's responsibilities accompanying the Trustee's summary of contributions on page 22.

The Trustee has a general responsibility for ensuring that adequate accounting records are kept and for taking such steps as are reasonably open to it to safeguard the assets of the Plan and to prevent and detect fraud and other irregularities, including the maintenance of appropriate internal controls.

Lead Company and Participating Employers

The Lead Company is the Nuclear Decommissioning Authority (the NDA). There was one participating employer during the period and this was Springfields Fuels Limited.

Pensions Protection Fund

No Pensions Protection Fund levy was due for the period ended 31 March 2007.

**Combined Nuclear Pension Plan
Trustee's report (continued)
For the period ended 31 March 2007**

Financial development of the Plan

The financial statements of the Plan for the period ended 31 March 2007, as set out on pages 13 to 19, have been prepared and audited in accordance with Sections 41(1) and (6) of the Pensions Act 1995. A summary of the Plan's financial statements is set out in the table below.

	<i>Defined Benefit Structure 2007 (£)</i>
Member related income	6,537,870
Member related payments	(166,300)
Net additions from dealing with members	6,371,570
Net returns on investments	44,278
Net increase in fund	6,415,848
Net assets at start of period	—
Net assets at end of period	6,415,848

Defined Benefit Structure

During the year member income into the Plan was £6,537,870.

The net returns on investments comprised change in market value of investments of £44,278; there was no other investment income in the period. Expenses including investment management expenses are charged separately to the NDA.

The net assets of the Defined Benefit Structure amounted to £6,415,848 at 31 March 2007.

Defined Contribution Structure

There were seven members in the Defined Contribution Structure in the period to 31 March 2007, although no contributions were due in respect of these members at the period end. Therefore there was no income or expenditure relating to the Defined Contribution Structure.

There were no net assets of the Defined Contribution Structure at 31 March 2007.

Changes to the Plan

The Plan was established under a Trust Deed and Rules on 1 October 2006. Changes have been made under two deeds of amendment, both dated 15 November 2006.

Combined Nuclear Pension Plan
Trustee's report (continued)
For the period ended 31 March 2007

Actuarial review

The financial statements set out on pages 13 to 19 do not take into account the liabilities to provide pension benefits which fall due after the year end. In respect of the Defined Benefit Structure these liabilities are considered by the Scheme Actuary who carries out an actuarial valuation of these liabilities every three years. This valuation considers the funding position of the Defined Benefit Structure and the level of contributions payable.

The first actuarial valuation as at 31 March 2007 is currently underway. An actuarial statement and schedule of contributions has not yet been produced. The contributions currently paid are set out in the Trustee's summary of contributions on page 22. These were advised by the Scheme Actuary.

Plan membership

	Defined Benefit Structure	Defined Contribution Structure
Contributing members		
At 1 October 2006	—	—
New entrants	1,375	7
Retirements	(11)	—
Deaths	—	—
Leavers with preserved award	(16)	—
Leavers with refund	(2)	—
Leavers with transfer	(1)	—
At 31 March 2007	1,345	7
Deferred pensioners		
At 1 October 2006	—	
New	16	
Retirements	—	
Deaths	—	
Transfers	—	
At 31 March 2007	16	
Pensioners		
At 1 October 2006	—	
Retirements	11	
Pensions sharing	—	
Deaths	—	
At 31 March 2007	11	

Total membership at 31 March 2007 was 1,379.

There were seven members who joined the Defined Contribution Structure during the period to 31 March 2007. No contributions were due in respect of these members at the period end.

The transfer out and two refunds were not effected until after the period ended 31 March 2007.

**Combined Nuclear Pension Plan
Trustee's report (continued)
For the period ended 31 March 2007**

Investments

General

All investments, except AVCs and Shift Pay Pension Plan funds, have been managed during the period under review by Legal & General Assurance (Pensions Management) Ltd.

The Plan's investment strategy is agreed by the Trustee after taking appropriate advice. The investment strategy specifies the target proportions of the fund which should be invested in the principal market sectors. It is the responsibility of the Investment Managers to manage the Plan's assets day to day and to invest within the confines of the agreed investment strategy.

AVCs and the Shift Pay Pension Plan funds are managed by the Prudential Assurance Company Limited. Members are free to choose how their contributions are invested, from a portfolio of investment funds selected by the Trustee.

Investment principles

The Trustee has produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995. A copy of the Statement is available to all members on request. The main priority of the Trustee, when considering the investment policy, is to ensure that there are sufficient assets available to pay out members and dependants benefits as they arise.

**Legal and General Investment Management
Investment report for the period ended 31 March 2007**

The assets of the Plan are invested in an insurance policy with Legal & General Assurance (Pensions Management) Limited, part of the Legal & General Group, which is one of the largest financial institutions in the United Kingdom.

The policy is designed for corporate and public sector pension schemes and takes full advantage of the tax exemptions available to an insurance policy of this type. It is a unitised policy and the value of the units fluctuates directly in relation to the value of the underlying assets. All units are redeemable at bid prices that are calculated from independent, external pricing sources. The assets underlying the units are held by independent corporate custodians and are regularly reviewed by external auditors.

Legal & General's investment objective is to maintain the Plan's distribution close to the benchmark and within the ranges shown below. Changes to the distribution of the funds (which are sections within the policy) are achieved by the application of cash flows and, if necessary, by switches between the funds.

**Combined Nuclear Pension Plan
Trustee's report (continued)
For the period ended 31 March 2007**

The value of the units held under the policy at the beginning and end of the reporting period, on a middle market price basis were:

Asset value and distribution

Investment Sector Fund	Value and Distribution on 31 March 2007		Benchmark Distribution	Control Ranges
	GBP	%		
Global Equity 50:50 Index	2,781,838	70.5	70.0	67.5 - 72.5
Over 15y Gilts Index	385,379	9.8	10.0	9.0 - 11.0
Invt Grade Cp Bnd All Stks Ind	388,835	9.9	10.0	9.0 - 11.0
Over 15yr Index-Linked Gilts	387,924	9.8	10.0	9.0 - 11.0
Total Assets	3,943,976	100.0	100.0	

The unit prices for these valuations were based on market closing prices on the previous working day. The values shown include any activity that took place on the valuation days.

Performance

The time-weighted investment returns on the Plan's assets were as follows:

Time-weighted returns to 31 March 2007

Investment Sector Fund	Since 15 November 2006*	
	Fund %	Index %
Global Equity 50:50 Index	+4.1	+4.0
Over 15y Gilts Index	-4.4	-4.4
Invt Grade Cp Bnd All Stks Ind	-1.1	-1.2
Over 15yr Index-Linked Gilts	-3.3	-3.3
Total Assets	+1.9	+1.9

*Date of first investment

**Legal & General Assurance (Pensions Management) Limited
31 May 2007**

**Combined Nuclear Pension Plan
Trustee's report (continued)
For the period ended 31 March 2007**

Custodial arrangements

The Plan invests in a managed unit linked policy with Legal & General Assurance (Pensions Management) Ltd. Legal & General Assurance (Pensions Management) Ltd appoints custodians for the safe custody of assets held within the policy. The custodians which have been appointed are HSBC Bank Plc and Citibank International Plc.

The Trustee is responsible for ensuring that the Plan's assets continue to be securely held.

The Royal Bank of Scotland has been appointed by the Trustee as custodian of the cash held in connection with the administration of the Plan carried out by UKAEA.

Discontinuance of the Plan

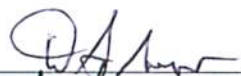
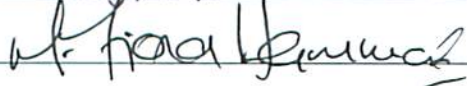
If the Plan is discontinued, the assets will be used for securing the benefits of the members and beneficiaries and their dependants in accordance with the Trust Deed and Rules and the relevant legislation. If there are insufficient assets to provide the specified benefits, the shortfall may in certain circumstances become a liability of the participating employers.

Contact for further information

If, as a Plan member, you wish to obtain further information about the Plan, including copies of the Plan documentation, your own pension position or who to contact in the event of a problem or complaint, please write to or telephone:

UKAEA
Pensions Administration Office
Brownhill Lodge
Thurso
KW14 7BA
Tel: 01847 804420

Signed on behalf of the Trustee on

	Trustee Director	18th Sept 2007
	Trustee Director	18/09/07

**Combined Nuclear Pension Plan
Independent Auditors' Report to the Trustee, of the Combined
Nuclear Pension Plan
For the period ended 31 March 2007**

We have audited the financial statements of The Combined Nuclear Pension Plan for the period ended 31 March 2007 which comprises the fund account, the net assets statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Plan Trustee in accordance with the Pensions Act 1995 and Regulations made thereunder. Our audit work has been undertaken so that we might state to the Plan Trustee those matters we are required to state to it in an auditors' 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 Plan Trustee, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and auditors

As described in the Statement of Trustee's responsibilities on page 5, the Plan Trustee is responsible for obtaining an annual report, including audited financial statements prepared in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

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 show a true and fair view and contain the information specified in the Schedule to the Occupational Pension Plans (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995. We also report to you if, in our opinion, we have not received all the information and explanations we require for our audit.

We read the Trustee's report and other information contained in the annual report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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 judgements made by or on behalf of the Trustee in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Plan's circumstances, consistently applied and adequately disclosed.

**Combined Nuclear Pension Plan
Independent Auditors' Report to the Trustee, of the Combined
Nuclear Pension Plan (continued)
For the period ended 31 March 2007**

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:

- show a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the financial transactions of the Plan during the Plan period ended 31 March 2007 and of the amount and disposition at that date of its assets and liabilities (other than liabilities to pay pensions and benefits after the end of the Plan year); and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996 made under the Pensions Act 1995.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

Date: 25 September 2007

**Combined Nuclear Pension Plan
Financial Statements
For the period ended 31 March 2007**

Plan Account

	Note	2007 £
Contributions and benefits		
Contributions receivable	3	6,532,150
Other income	4	5,720
		<u>6,537,870</u>
Benefits Payable	5	(166,012)
Payments to and on account of leavers	6	(147)
Other payments	7	(141)
		<u>(166,300)</u>
Net additions from dealings with members		<u>6,371,570</u>
Returns on investments		
Change in market value of investments	8	44,278
Net returns on investments		<u>44,278</u>
Net increase in Plan during year		<u>6,415,848</u>
Net assets of the Plan at 1 October 2006		<u>—</u>
at 31 March 2007		<u>6,415,848</u>

**Combined Nuclear Pension Plan
Financial Statements (continued)
For the period ended 31 March 2007**

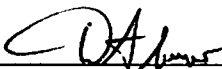
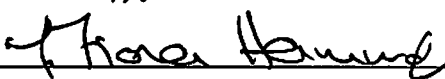
Net Asset Statement

	Note	2007 £
Investments	8	4,251,388
Net current assets	9	2,164,460
Net Assets at 31 March		<u>6,415,848</u>

The notes on pages 15 to 19 form part of these financial statements.

The financial statements on pages 13 to 19 were approved on behalf of the Combined Nuclear Pension Plan Trustees Limited on 18 September 2007.

Signed on behalf of the Trustee

	Trustee Director	18.2 September 2007
	Trustee Director	18/09/07

**Combined Nuclear Pension Plan
Notes to the Financial Statements
For the period ended 31 March 2007**

1. Basis of preparation

The financial statements have been prepared in accordance with The Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996, and with the guidelines set out in the Statement of Recommended Practice, "Financial Reports of Pension Schemes" (revised November 2002).

The financial statements summarise the transactions of the Plan and deal with the net assets at the disposal of the Trustee. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Plan year.

2. Accounting policies

The principal accounting policies are set out below.

2.1 Accruals concept

The financial statements have been prepared on an accruals basis.

2.2 Valuation of investments

The value of pooled investment vehicles is taken as the average of the bid and offer prices at the accounting date, as advised by the Investment Managers.

The Additional Voluntary Contributions and Shift Pay Pension Plan funds are shown as the total of the insurance policies valued by the insurance company at the period end.

The changes in investment market values are accounted for in the year in which they arise and include profits and losses on investments sold as well as unrealised gains and losses in the value of investments held at the period end.

Income arising from the underlying investments of the pooled investment vehicles that is reinvested within the pooled investment vehicles is reflected in the unit price. Such income is reported within the change in market value.

2.3 Contributions

Contributions are accounted for in the period in which they fall due. Normal contributions are accounted for at rates agreed between the Trustee and the employer based on the Schedule of Contributions.

Additional contributions are accounted for in accordance with the employment contracts and flexible benefit arrangements under which they are payable.

Employer special contributions are accounted for in the period they fall due as payable to the Plan.

Combined Nuclear Pension Plan
Notes to the Financial Statements (continued)
For the period ended 31 March 2007

2.4 Payments to members

Benefits are accounted for in the period in which the member notifies the Trustee of his decision on the type or amount of benefit to be taken or, if there is no member choice, on the date of retirement or leaving.

2.5 Transfers

Individual transfers in or out are accounted for when paid or received which is normally when liability is accepted/discharged. There were no transfers into or out of the Plan in the period to 31 March 2007.

Group transfers are accounted for in accordance with the terms of the transfer agreement.

2.6 Administrative expenses and investment management expenses

Administrative expenses and investment management expenses are met by the Nuclear Decommissioning Authority.

3. Contributions

Defined Benefit Structure	2007 £
Employers:	
Normal	3,402,726
Shift Pay Pension Plan	191,722
Special	1,815,462
	<u>5,409,910</u>
Members:	
Normal	947,431
Shift Pay Pension Plan	130,372
Additional Voluntary Contributions	44,437
	<u>1,122,240</u>
	<u>6,532,150</u>

Special contributions

The special contributions represent employer augmentation payments when employees retire under the employers severance arrangements. The augmentation payments relate to the capitalised cost of providing some elements of the severance benefits through the Plan. This includes lump sum payment, annual pension payments made whilst under normal pension age and pension payments relating to enhanced service. The total cost is calculated and paid by the employer to the Plan at the time of voluntary premature retirement.

Combined Nuclear Pension Plan
Notes to the Financial Statements (continued)
For the period ended 31 March 2007

	2007 £
4. Other income	
Interest on cash deposits held by the Trustee	<u>5,720</u>
5. Benefits payable	
Pensions payable	6,070
Lump sums on retirement	159,627
AVC funds used to purchase annuities	315
	<u>166,012</u>
6. Payments to and on account of leavers	
Family benefit refund	<u>147</u>
7. Other payments	
Bank charges	<u>141</u>

Combined Nuclear Pension Plan
Notes to the Financial Statements (continued)
For the period ended 31 March 2007

8. Investments

Defined Benefit Structure	2007
	£
Pooled investment vehicles	
Global Equity Fund	2,781,838
Over 15 Year Gilts Fund	385,379
Investment Grade Corporate Bond Fund	388,835
Over 15 Year Index-Linked Gilts Fund	387,924
	3,943,976
AVC and Shift Pay Pension Plan Funds	307,412
	4,251,388

The movements in total investments during the year were as follows:

	Market value at 1 October 2006 £	Cost of investments purchased £	Proceeds of sales of investments £	Change in market value £	Market value at 31 March 2007 £
Defined Benefit Structure					
Pooled Investment Vehicles	–	3,909,120	–	34,856	3,943,976
AVC & Shift Pay Pension Plan funds	–	298,305	(315)	9,422	307,412
	–	4,207,425	(315)	44,278	4,251,388

The company operating the pooled investment vehicle is registered in the United Kingdom.

The change in market value of the investments during the period comprises all increases and decreases in the market value of investments held at any time during the period, including profits and losses realised on sales of investments during the period.

Combined Nuclear Pension Plan
Notes to the Financial Statements (continued)
For the period ended 31 March 2007

Concentration of investments

The following investments represent greater than 5% of the net assets of the Plan at 31 March 2007:

	%
Global Equity Fund	65.4
Over 15 Year Gilts Fund	9.1
Investment Grade Corporate Bond Fund	9.2
Over 15y Index-Linked Gilts Fund	9.1
AVC & Shift Pay Pension Plan funds	7.2

8.1 AVC and Shift Pay Pension Plan funds

The Trustee holds assets which are separately invested from the main fund, in the form of individual insurance policies. These secure additional benefits, on a defined contribution basis, for those members who have elected to pay additional voluntary contributions or who are in the Shift Pay Pension Plan. Members participating in this arrangement receive an annual statement as at 31 March each year, confirming the amounts held to their account and the movements during the year.

The value of the funds held by Prudential at 31 March 2007:

	2007 £
Funds held by Prudential	307,412

9. Net current assets and liabilities

	2007 £
Cash deposits held with Plan Administrator*	2,164,803
PAYE	(343)
	2,164,460

* The significant cash deposits held as at 31 March 2007 arose because the March contributions were received early on 26 March 2007 and there was not a dealing day before the end of the month to enable the funds to be invested with Legal & General. A £1.9 million investment was subsequently made on 11 April 2007.

10. Related party transactions

The Plan has received contributions in respect of a Trustee Director (Mr I Driver) who is a contributing member of the Plan. There were no other related party transactions in the year.

**Combined Nuclear Pension Plan
Independent Auditors' statement about contributions, made
under Regulation 4 of the Occupational Pension Schemes
(Requirement to obtain Audited Accounts and a Statement from
the Auditor) Regulations 1996, to the Trustee, of the Combined
Nuclear Pension Plan
For the period ended 31 March 2007**

We have examined the summary of contributions payable under the schedule of contributions to The Combined Nuclear Pension Plan in respect of the Plan period ended 31 March 2007 which is set out on page 22.

This statement is made solely to the Plan's Trustee, in accordance with the Pensions Act 1995 and Regulations made there under. Our work has been undertaken so that we might state to the Plan's Trustee those matters we are required to state to it in an auditors' statement about contributions and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee, for our work, for this statement, or for the opinions we have formed.

Respective responsibilities of Trustee and auditors

As described on page 22, the Trustee has a general responsibility for procuring that contributions are made to the scheme in accordance with the Plan rules and recommendations of the actuary.

It is our responsibility to provide a statement about contributions paid to the Plan and to report our opinion to you.

We read the Trustee's report and other information in the annual report and consider whether it is consistent with the summary of contributions. We consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary of contributions.

Basis of statement about contributions

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to give reasonable assurance that contributions reported in the summary of contributions have been paid in accordance with the relevant requirements. For this purpose, the work that we carried out included examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments. Our statement about contributions is required to refer to those exceptions which come to our attention in the course of our work.

**Combined Nuclear Pension Plan
Independent Auditors' statement about contributions, made
under Regulation 4 of the Occupational Pension Schemes
(Requirement to obtain Audited Accounts and a Statement from
the Auditor) Regulations 1996, to the Trustee, of the Combined
Nuclear Pension Plan (continued)
For the period ended 31 March 2007**

Statement about contributions payable under the schedule

In our opinion contributions for the Plan period ended 31 March 2007 as reported in the summary of contributions and payable under the Plan rules and on the recommendation of the actuary have been paid in accordance with the Plan rules and the recommendations of the actuary.

KPMG LLP

KPMG LLP
Chartered Accountants

Date: 28 September 2007

Combined Nuclear Pension Plan
Trustee's Summary of Contributions payable under the Plan
rules and on the recommendation of the actuary
For the period ended 31 March 2007

Statement of Trustee's responsibilities in respect of contributions

The Plan's Trustee is responsible for keeping records of contributions received by or on behalf of the employer for procuring that contributions are made to the Plan in accordance with the Plan rules and on the recommendation of the actuary.

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee. It sets out the employer and member contributions payable to the scheme under the Plan rules and recommendation of the actuary in respect of the Plan year ended 31 March 2007. The Plan auditor reports on these contributions payable in the Auditors' Statement about Contributions.

**Contributions payable under the Plan rules and on the recommendation
of the actuary in respect of the Plan year** £

Defined Benefit Structure

Employer:

normal contributions - standard	3,402,726
normal - shift pay	191,722
special contributions - augmentations	1,815,462

Member:

normal contributions	947,431
normal - shift pay	130,372

Contributions payable under the Plan rules and on the recommendation of the actuary (as reported on by the Plan auditors)	6,487,713
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Reconciliation of contributions

Reconciliation of contributions payable under the Plan rules and on the recommendation of the actuary to total contributions payable to the Plan in respect of the scheme year:

	£
Contributions payable to the Plan rules and on the recommendation of the actuary (as above)	6,487,713
Contributions payable in addition to those due above (and not reported on by the Plan auditor):	
employee additional voluntary contributions	44,437
Total contributions payable to the Plan	6,532,150

Signed on behalf of the Trustee



Date:

16th September 2007

**Combined Nuclear Pension Plan
Compliance Statement
For the period ended 31 March 2007**

Constitution

The Combined Nuclear Pension Plan (the Plan) was established under a Trust Deed and Rules on 1 October 2006.

Taxation status

In accordance with the provisions of Schedule 36 of the Finance Act 2004, the Plan is a registered pension scheme under Chapter 2 of part 4 of the Finance Act 2004.

Pension increases

All pensions in payment and preserved benefits are increased annually, in April, by a percentage based on the annual change in the Retail Prices Index measured to the preceding September (applied proportionately to retirements and leavers over the twelve months). Guaranteed Minimum Pensions are increased separately as required by legislation.

Calculation of transfer values

Transfer values paid in respect of transfers to other pension schemes are calculated in accordance with the Pension Schemes Act 1993. No allowance is made in the calculation of transfer values for discretionary pension increases.

Employer-related investment

There was no employer-related investment at any time during the period.

The Pensions Advisory Service (TPAS), Pension Ombudsman and the Pensions Regulator

If having raised matters for the Trustee's attention in writing via the Plan administrator, a member feels that their concerns have not been adequately dealt with, the Trustee has an Internal Dispute Resolution Procedure that should be followed. A copy of the Internal Dispute Resolution Procedure may be obtained from the Plan administrator. A member can make a complaint under the procedure by writing to the Plan Secretary at the address shown on page 3.

If a member has a complaint against the Plan that has not been resolved to their satisfaction through the Plan's dispute procedure, TPAS an independent voluntary organisation may be able to offer advice. The name of the local TPAS advisor can be obtained from any local Citizens Advice Bureau.

**Combined Nuclear Pension Plan
Compliance Statement (continued)
For the period ended 31 March 2007**

If the complaint is not satisfactorily resolved, the government appointed Pensions Ombudsman can investigate complaints of injustice caused by bad administration, either by the Trustee or Plan administrators, or dispute of fact or law. The Pensions Ombudsman can be contacted at: 11 Belgrave Road, London, SW1V 1RB; telephone 020 78349144.

The Pensions Regulator can intervene if it considers that a scheme's Trustee, advisors, or the employers are not carrying out their duties correctly. The Pensions Regulator can be contacted at Napier House, Trafalgar Place, Brighton BN1 4DW; telephone 01273 627600.