

**COMBINED NUCLEAR PENSION PLAN**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED**  
**31 MARCH 2010**

**Scheme registration number: 10275683**

**Combined Nuclear Pension Plan  
Annual report  
For the year ended 31 March 2010**

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## Combined Nuclear Pension Plan Trustee and Plan Advisers

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### Trustee

Combined Nuclear Pension Plan Trustees  
Limited  
Herdus House  
Westlakes Science and Technology Park  
Moor Row  
Cumbria  
CA24 3HU

### Trustee Directors

Mr A. Cooper <sup>(1)</sup> (Chairman)  
Miss F. Draper <sup>(2)</sup> (resigned 27 April 2010)  
Mr I. Driver <sup>(2)</sup>  
Mr G. Greenhalgh <sup>(2)</sup>  
Mr D Gregory <sup>(2)</sup> (appointed 28 April 2010)  
Mr J. McLaughlin <sup>(1)</sup>  
Mr B McDonald <sup>(2)</sup> (appointed 28 April 2010)  
Mr A Oldham <sup>(1)</sup> (appointed 1 April 2010)  
Mr W. Roberts <sup>(1)</sup> (resigned 31 March 2010)  
Dr P. Vaughan <sup>(1)</sup>  
Mr J. Watson <sup>(2)</sup> (resigned 27 April 2010)

(1) Nominated by Lead Company

(2) Nominated by Members

### Secretary to the Trustee

Mr. S Hayton MPMI  
Combined Nuclear Pension Plan  
NDA Harwell Office  
Curie Avenue  
Harwell Science & Innovation Campus  
Didcot, OX11 0RH

### Scheme Actuary

Robert Issitt  
Deloitte Total Reward and Benefits Limited  
Four Brindleyplace  
Birmingham  
B1 2HZ

### Pension Consultant

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

### Life Insurer

Bupa Group Risk  
Room 60  
3 Anchorage Quay  
Salford Quays  
Salford  
M50 3XL

### Legal Advisor

Hammonds  
7 Devonshire Square  
Cutlers Gardens  
London  
EC2M 4YH

### Bankers

Royal Bank of Scotland  
11 Orlig Street  
Thurso  
KW14 7BL

### Investment Consultant

Hymans Robertson LLP  
One London Wall  
London  
EC2Y 5EA

### Defined Benefit Investment Managers

Legal & General Assurance (Pensions  
Management) Ltd  
One Coleman Street  
London  
EC2R 5AA

### Defined Contribution Investment Managers

Prudential Assurance Company Limited  
5 Laurence Pountney Hill  
London  
EC4R 0HH

### Auditor

KPMG LLP  
St James' Square  
Manchester  
M2 6DS

### Independent Medical Advisers to the Trustee

Medigold Health Consultancy Limited  
Medigold House  
Queensbridge  
Northampton  
NN4 7BF

### Plan Administrators

Babcock International Group (formerly  
UKAEA Ltd)  
Brownhill Lodge  
Thurso  
KW14 7BA

## **Combined Nuclear Pension Plan Trustee and Plan Advisers (continued)**

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### **Participating Employers**

Springfields Fuels Limited  
Springfields  
Salwick  
Preston  
PR4 0XJ

Magnox North Limited  
Berkeley Centre  
Berkeley  
Gloucestershire  
GL13 9PB

Magnox South Limited  
Berkeley Centre  
Berkeley  
Gloucestershire  
GL13 9PB

LLW Repository Limited  
Drigg  
Cumbria  
CA19 1XH

Sellafield Limited  
Booths Park  
Chelford Road  
Knutsford  
Cheshire  
WA16 8QZ

Dounreay Site Restoration Limited  
Building D2003  
Dounreay  
Thurso  
Caithness  
KW14 7TZ

Research Sites Restoration Limited  
Building 392.7  
Harwell Science and Innovation Campus  
Didcot  
Oxfordshire  
OX11 0DF

### **Enquiries**

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:

Babcock International Group (formerly UKAEA Ltd)  
Brownhill Lodge  
Thurso  
KW14 7BA  
Tel: 01847 804420

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

# **Combined Nuclear Pension Plan**

## **Trustee's report**

### **For the year ended 31 March 2010**

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The Trustee presents its annual report on the Combined Nuclear Pension Plan ('the Plan'), together with the financial statements of the Plan for the year ended 31 March 2010. The Investment Report is set out on pages 10 to 13 and the Compliance Statements are set out on pages 32 and 33.

#### **Introduction**

The Combined Nuclear Pension Plan was established with effect from 1 October 2006.

Each employer has a section under the Plan and there are two categories of membership within each section:

- The Defined Benefit Structure which provides benefits based on a member's salary and length of service. In addition, some members of the Defined Benefit Structure pay 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 Second Pension arrangement. 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 (AVCs) 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.

Further information about the Plan, including the Trust Deed and Rules, can be found on the CNPP website ([www.cnpp.org.uk](http://www.cnpp.org.uk)).

#### **Recent developments**

During the financial year, two new participating employers joined the Plan, Dounreay Site Restoration Limited (DSRL) and Research Sites Restoration Limited (RSRL), on 1 November 2009.

From 1 April 2010 active members of the Springfields Fuels Limited section transferred to a new section of the CNPP (Springfields Fuels 2) for future service accrual and the Springfields Fuels Limited section became known as the 'Closed Section'.

#### **Changes to the Plan**

The Plan was established under a Trust Deed and Rules on 1 October 2006. There had been ten deeds of amendment since the Plan's inception. Seven of which have now been consolidated into a second definitive Trust Deed and Rules which was effected from 1 September 2009. There have now been three further deeds of amendment since the second definitive Trust Deed and Rules were effected.

Magnox North and Magnox South introduced a salary sacrifice pension arrangement from April 2009.

# **Combined Nuclear Pension Plan Trustee's report (continued) For the year ended 31 March 2010**

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## **Management of the Plan**

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). The employer directors are appointed for an indefinite term. The member directors are appointed by election of the members, for a fixed period of no more than four years. The Lead Company appoints the Chairman of the Trustee from among the Trustee Directors.

The Trustee Directors who have served during the year are listed on page 1.

During the year the Trustee met four times. All decisions are taken by majority with the Chairman having the casting vote.

The Trustee has established the following committees which generally meet twice a year or as required:

- Communications sub-committee
- Audit and Administration sub-committee
- Investment sub-committee

## **Lead Company and Participating Employers**

The Lead Company is the Nuclear Decommissioning Authority (the NDA). There were seven participating employers during the year and these were Springfields Fuels Limited, Magnox North Limited, Magnox South Limited, LLW Repository Limited, Sellafield Limited, Dounreay Site Restoration Limited and Research Sites Restoration Limited.

## **Pension Protection Fund**

The payment of the Pension Protection Fund levy is met by the employer, or NDA, when due.

**Combined Nuclear Pension Plan  
Trustee's report (continued)  
For the year ended 31 March 2010**

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**Actuarial review**

The financial statements set out on pages 17 to 25 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 has been completed for the Springfields Fuels Limited section, which was the only participating employer at that date. The Schedule of Contributions for Springfields Fuels Limited is set out in the appendix to the report.

The valuations for the Magnox North and South sections have been completed as at 26 June 2007. Schedules of contributions are in place for these sections and were revised in April 2009 to reflect the introduction of a salary sacrifice arrangement by Magnox North Limited and Magnox South Limited. The Schedules of Contributions for Magnox North Limited and Magnox South Limited are set out in the appendix to the report.

The valuation has been carried out for the LLW Repository Limited section as at 1 April 2008 and a Schedule of contributions is in place. The Schedule of Contributions for LLW Repository Limited is set out in the appendix to the report.

The valuation has been carried out for the Sellafield Limited section as at 24 November 2008 and a Schedule of Contributions is set out in the appendix to the report.

Dounreay Site Restoration Limited and Research Sites Restoration Limited joined the Plan on 1 November 2009. The initial contribution rates (which are still being paid) were set by NDA at the inception of these sections, having received advice from the Scheme Actuary and consulted the Trustee.

Actuarial valuations of all seven sections in operation at 31 March 2010 are currently in progress.

**Financial Development of the Plan**

The financial statements of the Plan for the year ended 31 March 2010, as set out on pages 17 to 25, 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 tables below.

**Combined Nuclear Pension Plan  
Trustee's report (continued)  
For the year ended 31 March 2010**

**Defined Benefit Structure**

	<b>2009/10 £000</b>	<b>2008/09 £000</b>
Member related income	135,728	54,601
Transfers in	366	26
Member related payments	(3,337)	(1,088)
Net additions from dealing with members	132,757	53,539
Net returns on investments	39,394	(6,180)
Net increase in fund	172,151	47,359
Net assets at start of year	69,884	22,525
Net assets at end of year	242,035	69,884

The increase in member income during the year is largely due to Sellafield Ltd being in the Plan for a full financial year and the addition of DSRL and RSRL in November 2009.

The net returns on investments comprised a change in market value of investments. Expenses including investment management expenses have been met separately by the NDA.

The net assets of the Defined Benefit Structure include the assets in the Shift Pay Pension Plan and the Additional Voluntary Contribution Scheme.

**Defined Contribution Structure**

	<b>2009/10 £000</b>	<b>2008/09 £000</b>
Member related income	3,170	1,115
Member related payments	(41)	(17)
Net additions from dealing with members	3,129	1,098
Net returns on investments	977	(117)
Net increase in fund	4,106	981
Net assets at start of year	1,254	273
Net assets at end of year	5,360	1,254



Members are free to choose how their contributions are invested, from a portfolio of investment funds made available by the Trustee.

**Combined Nuclear Pension Plan  
Trustee's report (continued)  
For the year ended 31 March 2010**

**Plan membership**

The membership of the Plan at the beginning and end of the year and changes during the year are set out below.

	<b>Defined Benefit Structure</b>	<b>Defined Contribution Structure</b>
<b>Active members</b>		
At start of year	10,802	453
New entrants	1,389	512
Retirements	(166)	(1)
Deaths	(14)	–
Leavers with preserved award	(160)	(3)
Leavers with refund/ transfer	(11)	(9)
At end of year	<b>11,840</b>	<b>952</b>
<b>Deferred pensioners</b>		
At start of year	100	–
New	160	3
Deferred into payment	(14)	–
Deaths	(1)	–
Transfers	(7)	–
At end of year	<b>238</b>	<b>3</b>
<b>Pensioners</b>		
At start of year	83	–
Retirements	180	1
Deaths	–	–
At end of year	<b>263</b>	<b>1</b>
<b>Dependant Pensioners</b>		
At start of year	9	–
New	22	–
Deaths	(1)	–
At end of year	<b>30</b>	<b>–</b>
<b>Total membership</b>	<b>12,371</b>	<b>956</b>

During the year 1,389 members joined when DSRL and RSRL became participating employers. A breakdown of membership by employer as at 31 March 2010 is provided on page 27.

## **Combined Nuclear Pension Plan Trustee's report (continued) For the year ended 31 March 2010**

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### **Pension increases**

Pensions in payment and deferred pensions were increased by 5% from 1 April 2009. Pensions commencing in the twelve months proceeding 1 April 2009 have been increased based on the 5% pro-rated for the length of time the pension had been in payment to 1 April. All increases were in accordance with the trust deed and rules of the Plan or legislative requirements. There were no discretionary increases awarded in the year.

### **Investments**

#### **General**

All investments, except AVCs, Shift Pay Pension Plan and the Defined Contribution Structure funds, have been managed during the year 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, the Shift Pay Pension Plan, and the Defined Contribution Structure 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 made available 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 can be found on the CNPP website ([www.cnpp.org.uk](http://www.cnpp.org.uk)). 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.

**Combined Nuclear Pension Plan  
Trustee's report (continued)  
For the year ended 31 March 2010**

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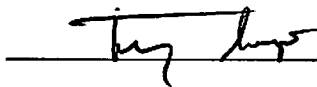
**Custodial arrangements**

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 plc has been appointed by the Trustee as custodian of the cash held in connection with the administration of the Plan carried out by UKAEA Pensions Administration Office.

Signed for and on behalf of the Combined Nuclear Pension Plan Trustees Limited on  
*7 October 2010.*



Trustee Director

**Combined Nuclear Pension Plan  
Investment report  
For the year ended 31 March 2010**

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**Legal and General Investment Management**

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 which 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 overleaf. Changes to the distribution of the funds (which are in sections by employer within the policy) are achieved by the application of cash flows and, if necessary, by switches between the funds.

**Combined Nuclear Pension Plan  
Investment report (continued)  
For the year ended 31 March 2010**

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

**ASSET VALUE AND DISTRIBUTION:**

Investment Sector Fund	Value and Distribution on 1 April 2009		Value and Distribution on 1 April 2010		Benchmark Distribution	Control Ranges
Closed Section	GBP	%	GBP	%	%	%
Global Equity 50:50 Index	17,691,292	69.5	39,177,678	69.8	70.0	67.5 - 72.5
Over 15y Gilts Index	2,592,018	10.2	5,661,556	10.1	10.0	9.0 - 11.0
Invt Grade Cp Bnd All Stks Ind	2,564,083	10.1	5,612,457	10.0	10.0	9.0 - 11.0
Over 15yr Index-Linked Gilts	2,596,501	10.2	5,670,250	10.1	10.0	9.0 - 11.0
<b>Total Assets</b>	<b>25,443,894</b>	<b>100.0</b>	<b>56,121,941</b>	<b>100.0</b>	<b>100.0</b>	
<b>Magnox North</b>	<b>GBP</b>	<b>%</b>	<b>GBP</b>	<b>%</b>	<b>%</b>	<b>%</b>
Global Equity 50:50 Index	3,656,714	69.5	8,689,523	59.9	60.0	57.5 - 62.5
Over 15y Gilts Index	536,074	10.2	1,472,996	10.1	10.0	9.0 - 11.0
Invt Grade Cp Bnd All Stks Ind	530,251	10.1	1,461,632	10.1	10.0	9.0 - 11.0
Over 15yr Index-Linked Gilts	537,518	10.2	1,464,121	10.1	10.0	9.0 - 11.0
Property	0	0.0	1,428,055	9.8	10.0	5.0 - 15.0
<b>Total Assets</b>	<b>5,260,557</b>	<b>100.0</b>	<b>14,516,327</b>	<b>100.0</b>	<b>100.0</b>	
<b>Magnox South</b>	<b>GBP</b>	<b>%</b>	<b>GBP</b>	<b>%</b>	<b>%</b>	<b>%</b>
Global Equity 50:50 Index	136,110	69.5	565,190	60.0	60.0	57.5 - 62.5
Over 15y Gilts Index	19,958	10.2	95,224	10.1	10.0	9.0 - 11.0
Invt Grade Cp Bnd All Stks Ind	19,737	10.1	94,637	10.1	10.0	9.0 - 11.0
Over 15yr Index-Linked Gilts	20,007	10.2	94,755	10.1	10.0	9.0 - 11.0
Property	0	0.0	91,421	9.7	10.0	5.0 - 15.0
<b>Total Assets</b>	<b>195,812</b>	<b>100.0</b>	<b>941,227</b>	<b>100.0</b>	<b>100.0</b>	
<b>LLWR</b>	<b>GBP</b>	<b>%</b>	<b>GBP</b>	<b>%</b>	<b>%</b>	<b>%</b>
Global Equity 50:50 Index	445,952	70.4	1,179,570	61.0	62.4	60.0
Over 15y Gilts Index	62,596	9.9	195,911	10.1	10.0	10.0
Invt Grade Cp Bnd All Stks Ind	62,303	9.8	194,385	10.1	10.0	10.0
Over 15yr Index-Linked Gilts	62,700	9.9	194,873	10.1	10.0	10.0
Property	0	0.0	168,774	8.7	7.6	10.0
<b>Total Assets</b>	<b>633,551</b>	<b>100.0</b>	<b>1,933,513</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

**Combined Nuclear Pension Plan  
Investment report (continued)  
For the year ended 31 March 2010**

Investment Sector Fund	Value and Distribution on 1 April 2009		Value and Distribution on 1 April 2010		Benchmark Distribution	Control Ranges
	GBP	%	GBP	%	%	%
<b>Sellafield</b>						
Global Equity 50:50 Index	22,414,381	70.0	87,003,696	59.8	60.0	57.5 - 62.5
Over 15y Gilts Index	3,188,051	10.0	14,753,441	10.1	10.0	9.0 - 11.0
Inv't Grade Cp Bnd All Stks Ind	3,153,941	9.8	14,640,969	10.0	10.0	9.0 - 11.0
Over 15yr Index-Linked Gilts	3,271,417	10.2	14,678,460	10.1	10.0	9.0 - 11.0
Property	0	0.0	14,616,090	10.0	10.0	5.0 - 15.0
<b>Total Assets</b>	<b>32,027,790</b>	<b>100.0</b>	<b>145,692,656</b>	<b>100.0</b>	<b>100.0</b>	

Investment Sector Fund	Value and Distribution on 9 December 2009*		Value and Distribution on 1 April 2010		Benchmark Distribution	Control Ranges
	GBP	%	GBP	%	%	%
<b>DSRL</b>						
Global Equity 50:50 Index	375,468	69.9	2,726,875	60.1	60.0	57.5 - 62.5
Over 15y Gilts Index	54,036	10.1	458,972	10.1	10.0	9.0 - 11.0
Inv't Grade Cp Bnd All Stks Ind	53,430	10.0	456,214	10.0	10.0	9.0 - 11.0
Over 15yr Index-Linked Gilts	53,779	10.0	456,653	10.0	10.0	9.0 - 11.0
Property	0	0.0	446,222	9.8	10.0	5.0 - 15.0
<b>Total Assets</b>	<b>536,713</b>	<b>100.0</b>	<b>4,544,936</b>	<b>100.0</b>	<b>100.0</b>	

	GBP	%	GBP	%	%	%
<b>RSRL</b>						
Global Equity 50:50 Index	149,216	69.9	715,320	59.9	60.0	57.5 - 62.5
Over 15y Gilts Index	21,475	10.1	120,895	10.1	10.0	9.0 - 11.0
Inv't Grade Cp Bnd All Stks Ind	21,234	10.0	120,046	10.0	10.0	9.0 - 11.0
Over 15yr Index-Linked Gilts	21,372	10.0	120,287	10.1	10.0	9.0 - 11.0
Property	0	0.0	118,834	9.9	10.0	5.0 - 15.0
<b>Total Assets</b>	<b>213,297</b>	<b>100.0</b>	<b>1,195,382</b>	<b>100.0</b>	<b>100.0</b>	

\* Assets were first transferred to the DSRL and RSRL sections at the beginning of December 2009.

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.

**Combined Nuclear Pension Plan  
Investment report (continued)  
For the year ended 31 March 2010**

**Performance**

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

**TIME-WEIGHTED RETURNS TO 31 MARCH 2010**

	Last Twelve Months	
	Fund %	Index %
<b>Investment Sector Fund</b>		
Global Equity 50:50 Index	+49.5	+48.8
Over 15y Gilts Index	-0.1	-0.2
Invst Grade Cp Bnd All Stks Ind	+20.9	+20.9
Over 15yr Index-Linked Gilts	+11.0	+10.7
Property	+15.0	+6.5
Cash	+0.5	+0.4

Total fund performance (ignoring any break in holdings) is displayed

Legal & General Assurance (Pensions Management) Limited  
6 October 2010

**Combined Nuclear Pension Plan**  
**Statement of Trustee's responsibilities for the Financial Statements**  
**(forming part of the Trustee's report)**  
**For the year ended 31 March 2010**

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**Statement of Trustee's responsibilities for the financial statements**

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 plan during the plan year and of the amount and disposition at the end of the plan 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 have 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, commonly in the form of a trustee's annual report, 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.

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



## **Independent Auditors' Report to the Trustee of the Combined Nuclear Pension Plan For the year ended 31 March 2010**

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We have audited the financial statements of The Combined Nuclear Pension Plan for the year ended 31 March 2010 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 14, 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.

**Independent Auditors' Report to the Trustee of the Combined  
Nuclear Pension Plan (continued)  
For the year ended 31 March 2010**

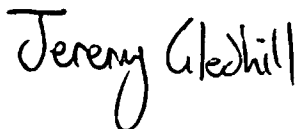
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We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material 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 year ended 31 March 2010 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.



Jeremy Gledhill  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
St James' Square  
Manchester  
M2 6DS

Date: 7 October 2010.

**Combined Nuclear Pension Plan  
Plan Account  
For the year ended 31 March 2010**

	Note	Defined Benefit Structure 2010 £000	Defined Contribution Structure 2010 £000	Total 2010 £000	Total 2009 £000
<b>Contributions and benefits</b>					
Contributions receivable	3	135,601	3,170	138,771	55,477
Transfers in	4	366	–	366	26
Other income	5	127	–	127	239
		<u>136,094</u>	<u>3,170</u>	<u>139,264</u>	<u>55,742</u>
Benefits payable	6	(3,261)	(10)	(3,271)	(1,038)
Payments to and on account of leavers	7	(75)	(31)	(106)	(66)
Other payments		(1)	(1)	(2)	(1)
		<u>(3,337)</u>	<u>(42)</u>	<u>(3,379)</u>	<u>(1,105)</u>
<b>Net additions from dealings with members</b>		<b>132,757</b>	<b>3,128</b>	<b>135,885</b>	<b>54,637</b>
<b>Returns on investments</b>					
Change in market value of investments	8	39,394	978	40,372	(6,297)
<b>Net increase in fund during year</b>		<b>172,151</b>	<b>4,106</b>	<b>176,257</b>	<b>48,340</b>
<b>Net assets of the Plan</b>					
At 1 April		69,884	1,254	71,138	22,798
At 31 March		<u>242,035</u>	<u>5,360</u>	<u>247,395</u>	<u>71,138</u>

The notes on pages 19 to 25 form part of these financial statements.

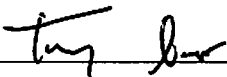
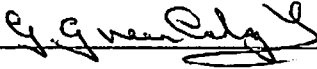
**Combined Nuclear Pension Plan  
Net Assets Statement  
As at 31 March 2010**

	Note	2010 £000	2009 £000
<b>Defined Benefit Structure</b>			
Investments	8	219,532	59,137
Net current assets	9	22,503	10,747
		<b>242,035</b>	<b>69,884</b>
<b>Defined Contribution Structure</b>			
Investments	8	5,359	1,252
Net current assets	9	1	2
		<b>5,360</b>	<b>1,254</b>
<b>Net assets of the Plan</b>		<b>247,395</b>	<b>71,138</b>

The notes on pages 19 to 25 form part of these financial statements.

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. The actuarial position of the Plan, which does take account of such obligations, is dealt with in the actuarial certificates included on pages 34 onwards of the annual report and these financial statements should be read in conjunction with the Summary Funding Statement and Actuarial Certificate.

Signed for and on behalf of the Combined Nuclear Pension Plan Trustees Limited on 17 October 2010.

  
 \_\_\_\_\_ Trustee Director  
  
 \_\_\_\_\_ Trustee Director

**Combined Nuclear Pension Plan  
Notes to the Financial Statements  
For the year ended 31 March 2010**

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**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 (revised May 2007), Financial Reports of Pension Schemes (the Revised SORP).

**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 bid price at the accounting date, as advised by the Investment Managers.

The Additional Voluntary Contributions, Shift Pay Pension Plan and Defined Contribution Structure funds are shown as the total of the individual member funds valued by the insurance company at the year 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 year 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 year 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.

Employer augmentation payments are accounted for in the year they fall due as payable to the Plan.

Employer deficit funding contributions are accounted for on the due date on which they are payable in accordance with the Schedule of Contributions and the recovery plan under which they are being paid.

**Combined Nuclear Pension Plan**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2010**

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**2.4 Payments to members**

Benefits are accounted for in the year 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, leaving or death.

**2.5 Transfers**

Individual transfers in or out are accounted for when paid or received which is normally when liability is accepted/discharged. 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 have been met separately by the Nuclear Decommissioning Authority.

**3. Contributions receivable**

	Defined Benefit Structure 2010 £000	Defined Contribution Structure 2010 £000	Total 2010 £000	Total 2009 £000
<b>Employers</b>				
Normal	90,715	2,504	93,219	37,786
Deficit Funding	138	–	138	–
Shift Pay Pension Plan	4,248	–	4,248	1,823
Augmentation	17,009	–	17,009	4,935
	<b>112,110</b>	<b>2,504</b>	<b>114,614</b>	<b>44,544</b>
<b>Members</b>				
Normal	18,995	666	19,661	9,362
Shift Pay Pension Plan	2,066	–	2,066	1,094
Additional Voluntary Contributions	2,430	–	2,430	477
	<b>23,491</b>	<b>666</b>	<b>24,157</b>	<b>10,933</b>
<b>Total contributions receivable</b>	<b>135,601</b>	<b>3,170</b>	<b>138,771</b>	<b>55,477</b>

The deficit funding contributions are payable at a rate of £11,500 per month until 31 March 2017 in accordance with the recovery plan for the Closed Section, formerly known as the Springfields Fuels Limited Section.

Augmentation payments are made 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

**Combined Nuclear Pension Plan**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2010**

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 premature retirement.

**4. Transfer in**

	Defined Benefit Structure 2010 £000	Defined Contribution Structure 2010 £000	Total 2010 £000	Total 2009 £000
Transfer in	364	–	364	26
Employee (CEP)	2	–	2	–
	<b>366</b>	<b>–</b>	<b>366</b>	<b>26</b>

**5. Other income**

	Defined Benefit Structure 2010 £000	Defined Contribution Structure 2010 £000	Total 2010 £000	Total 2009 £000
Claims on term insurance	122	–	122	194
Interest on cash deposits held by the Trustee	5	–	5	43
Other income	–	–	–	2
	<b>127</b>	<b>–</b>	<b>127</b>	<b>239</b>

**6. Benefits Payable**

	Defined Benefit Structure 2010 £000	Defined Contribution Structure 2010 £000	Total 2010 £000	Total 2009 £000
Pensions payable	644	–	644	312
Lump sums on retirement	1,642	–	1,642	358
Death benefit lump sums	848	–	848	300
Funds used to purchase annuities	99	7	106	52
Funds taken as cash	28	3	31	16
	<b>3,261</b>	<b>10</b>	<b>3,271</b>	<b>1,038</b>

**Combined Nuclear Pension Plan**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2010**

**7. Payments to and on account of leavers**

	Defined Benefit Structure 2010 £000	Defined Contribution Structure 2010 £000	Total 2010 £000	Total 2009 £000
Family benefit refund	1	–	1	1
Refunds to members leaving service	6	25	31	15
Employer CEP	7	–	7	–
Individual transfers out	61	6	67	50
	<b>75</b>	<b>31</b>	<b>106</b>	<b>66</b>

**8. Investments**

<b>Defined Benefit Structure</b>	<b>2010 £000</b>	<b>2009 £000</b>
<b>Pooled Investment Vehicles</b>		
Global Equity Fund	130,928	39,324
Over 15 Year Gilts Fund	19,896	5,098
Investment Grade Corporate Bond Fund	19,811	5,031
Over 15 Year Index-Linked Gilts Fund	20,341	5,246
Property	14,061	–
	<b>205,037</b>	<b>54,699</b>
<b>AVC Plan Funds</b>		
BGI 50/50 Global Equity	816	219
BGI UK equity	97	26
BGI World excluding UK	65	14
Cash	265	95
Index linked passive	133	31
Retirement protection	258	78
With profits	332	117
	<b>1,966</b>	<b>580</b>
<b>Shift Pay Pension Plan Funds</b>		
BGI 50/50 Global Equity	9,065	2,732
BGI UK equity	459	139
BGI World excluding UK	266	75
Cash	746	226
Index linked passive	570	207
Retirement protection	1,423	479
	<b>12,529</b>	<b>3,858</b>
<b>Total Investments</b>	<b>219,532</b>	<b>59,137</b>



**Combined Nuclear Pension Plan**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2010**

**8. Investments (continued)**

<b>Defined Contribution Structure</b>	<b>2010 £000</b>	<b>2009 £000</b>
BGI 50/50 Global Equity	4,568	1,033
BGI UK Equity	148	30
BGI World excluding UK	169	31
Cash	74	17
Index Linked Passive	142	47
Retirement Protection	258	94
	<b>5,359</b>	<b>1,252</b>

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

	<b>Market value at 1 April 2009 £000</b>	<b>Cost of investments purchased £000</b>	<b>Proceeds of sales of investments £000</b>	<b>Change in market value £000</b>	<b>Market value at 31 March 2010 £000</b>
<b>Defined Benefit Structure</b>					
Pooled Investment Vehicles	54,699	113,470	—	36,868	205,037
AVC and Shift Pay Pension Plan Funds	4,438	7,666	(135)	2,526	14,495
<b>Defined Contribution Structure</b>					
Pooled Investment Vehicles	1,252	3,170	(41)	978	5,359
	<b>60,389</b>	<b>124,306</b>	<b>(176)</b>	<b>40,372</b>	<b>224,891</b>

The companies operating the pooled investment vehicles are registered in the United Kingdom.

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

Costs are borne by the Plan in relation to transactions in pooled investment vehicles. However, such costs are taken into account in calculating the bid/offer spread of these investments and are not therefore separately identifiable.

**Combined Nuclear Pension Plan**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2010**

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**Concentration of investments**

The following investments represent greater than 5% of the net assets of the Plan at 31 March 2010:

	%
Global Equity Fund	52.92
Over 15 Year Index-Linked Gilts Fund	8.22
Over 15 Year Gilts Fund	8.04
Investment Grade Corporate Bond Fund	8.01
BGI 50/50 Global Equity	5.84
Property	5.68

**AVC and Shift Pay Pension Plan funds**

The Trustee holds assets which are separately invested from the main fund, in the form of individually earmarked funds. 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.

**9. Net current assets and liabilities**

	2010 £000	2009 £000
<b>Defined Benefit Structure</b>		
Cash deposits	22,360	10,804
Contributions due	315	–
Benefits due	(163)	(54)
PAYE	(9)	(3)
	22,503	10,747
 <b>Defined Contribution Structure</b>		
Cash deposits	1	3
Net debtors/creditors	–	(1)
	1	2

All contributions due at the year end were paid subsequently in accordance with the schedule of contributions.

The cash deposits in the Defined Benefit Structure represent funds received from employers at the end of March. The next available dealing day was 1 April 2010 and the excess funds were invested on that date to reduce the bank balance to the agreed level.

**Combined Nuclear Pension Plan**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 March 2010**

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The balance in the DC bank account is the remainder of the £2,000 float which was paid by the NDA to cover bank charges, plus some additional monies owed by the scheme at the year end but not yet paid out, all of which are not allocated to members.

**10. Related party transactions**

The Plan has received contributions in respect of two Trustee Directors (Mr I Driver and Mr J Watson (now resigned)) who were contributing members of the Plan during the year. The Plan has paid benefits in accordance with Plan Trust Deed and Rules in respect of one Trustee Director (Mr G Greenhalgh) who is now a pensioner member of the Plan. There were no other related party transactions in the year.

**Combined Nuclear Pension Plan**  
**Plan Account – Analysis by Employer (not forming part of the financial statements)**  
**For the year ended 31 March 2010**

	Springfield Fuels Ltd £000	Magnox North Ltd £000	Magnox South Ltd £000	LLWR £000	Sellafield Ltd £000	DSRL £000	RSRL £000	Total £000
<b>Contributions and benefits</b>								
Contributions receivable	21,454	7,821	1,324	1,079	99,771	5,704	1,618	138,771
Transfers in	140	–	–	27	199	–	–	366
Other income	3	1	–	80	43	–	–	127
	<b>21,597</b>	<b>7,822</b>	<b>1,324</b>	<b>1,186</b>	<b>100,013</b>	<b>5,704</b>	<b>1,618</b>	<b>139,264</b>
Benefits payable	1,226	324	41	84	1,357	239	–	3,271
Payments to and on account of leavers	26	15	14	1	50	–	–	106
Other payments	–	1	–	–	1	–	–	2
	<b>1,252</b>	<b>340</b>	<b>55</b>	<b>85</b>	<b>1,408</b>	<b>239</b>	<b>–</b>	<b>3,379</b>
<b>Net additions from dealings with members</b>	<b>20,345</b>	<b>7,482</b>	<b>1,269</b>	<b>1,101</b>	<b>98,605</b>	<b>5,465</b>	<b>1,618</b>	<b>135,885</b>
<b>Returns on investments</b>								
Change in market value of investments	12,366	2,860	405	363	24,267	75	36	40,372
<b>Net increase in fund during year</b>	<b>32,711</b>	<b>10,342</b>	<b>1,674</b>	<b>1,464</b>	<b>122,872</b>	<b>5,540</b>	<b>1,654</b>	<b>176,257</b>
<b>Net assets of the Plan At 1 April 2009</b>	<b>28,799</b>	<b>6,516</b>	<b>627</b>	<b>709</b>	<b>34,487</b>	<b>-</b>	<b>-</b>	<b>71,138</b>
<b>At 31 March 2010</b>	<b>61,510</b>	<b>16,858</b>	<b>2,301</b>	<b>2,173</b>	<b>157,359</b>	<b>5,540</b>	<b>1,654</b>	<b>247,395</b>

**Combined Nuclear Pension Plan**  
**Membership – Analysis by Employer (not forming part of the financial statements)**  
**For the year ended 31 March 2010**

	Springfield Fuels Ltd	Magnox North Ltd	Magnox South Ltd	LLWR	Sellafield Ltd	DSRL	RSRL	Total
<b>Active members</b>								
Defined benefit	1,184	400	15	85	8,787	957	412	11,840
Defined contribution	152	146	117	25	507	2	3	952
	<b>1,336</b>	<b>546</b>	<b>132</b>	<b>110</b>	<b>9,294</b>	<b>959</b>	<b>415</b>	<b>12,792</b>
<b>Deferred members</b>								
Defined benefit	95	23	–	–	114	4	2	238
Defined contribution	1	1	1	–	–	–	–	3
	<b>96</b>	<b>24</b>	<b>1</b>	<b>–</b>	<b>114</b>	<b>4</b>	<b>2</b>	<b>241</b>
<b>Pensioners</b>								
Defined benefit	93	16	–	4	171	9	–	293
Defined contribution	1	–	–	–	–	–	–	1
	<b>94</b>	<b>16</b>	<b>–</b>	<b>4</b>	<b>171</b>	<b>9</b>	<b>–</b>	<b>294</b>

**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**

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We have examined the summary of contributions payable to the Combined Nuclear Pension Plan in respect of the Plan year ended 31 March 2010 which is set out on pages 30 and 31.

This statement is made solely to the Plan's Trustee, in accordance with the Pensions Act 1995 and Regulations made thereunder. 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 30, the Plan's Trustee is responsible, under the Pensions Act 2004, for ensuring that there are prepared, maintained and from time to time revised schedules of contributions which set out the rates and due dates of certain contributions payable towards the plan by or on behalf of the employers and the active members of the Plan. The Trustee has a general responsibility for procuring that contributions are made to the Plan in accordance with these schedules of contributions or, where there is no schedule of contributions, in accordance with the Plan rules and on the 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 in all material respects been paid at least in accordance with the relevant schedule of contributions and, where there is no schedule, in accordance with the Plan rules and the recommendations of the actuary. 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.

**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)**

**Statement about contributions payable to the Plan**

In our opinion contributions for the Plan year ended 31 March 2010 as reported in the summary of contributions and payable to the Plan:

- In respect of sections where there was a schedule of contributions in place for all or part of that year, have for the relevant period in all material respects been paid at least in accordance with the schedules of contributions certified by the actuary.
- In respect of sections without a schedule of contributions in place for all or part of that year, have for the relevant period been paid in accordance with the Plan rules and the recommendations of the actuary.



Jeremy Gledhill  
For and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants  
St James' Square  
Manchester  
M2 6DS

Date: 7 October 2010.

**Combined Nuclear Pension Plan  
Trustee's Summary of Contributions in respect of the Plan  
For the year ended 31 March 2010**

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**Statement of Trustee's Responsibilities in respect of Contributions**

The Plan's Trustee is responsible under pensions legislation for ensuring that there are prepared, maintained and from time to time revised schedules of contributions showing the rates of contributions payable towards the Plan by or on behalf of the employers and the active members of the Plan and the dates on or before which such contributions are to be paid. In view of the complexity of the arrangements and the number of employers participating in the Plan, the Trustee has decided to maintain Schedules relevant to each of the participating employers and sections of the scheme as if the Pensions Act 2004 applied to those individual Schedules and employer. The Plan's Trustee is also responsible for keeping records of contributions received and for procuring that contributions are made to the Plan in accordance with the Schedules. Where there is no Schedule, the Trustee is responsible for procuring that contributions are made in accordance with the Plan rules and on the recommendations of the actuary.

**Trustee's Summary of Contributions payable in respect of the Plan year ended 31 March 2010**

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 Plan in respect of the Plan year ended 31 March 2010 upon which the Plan auditor reports in the Auditors' Statement about Contributions. These contributions were payable under the schedules of contributions of employers which had obtained their first or subsequent schedule of contributions and otherwise under the Plan rules and recommendations of the actuary.

**Contributions payable under the Schedule in respect of the Plan year**

	<b>£000</b>
<b>Employer</b>	
Normal contributions	58,157
Deficit contributions	138
Shift pay contributions	2,733
Augmentation	14,567
<b>Member</b>	
Normal contributions	12,032
Shift pay contributions	1,291
AVC	1,460
<b>Contributions payable under the Schedules (as reported by the Plan auditors)</b>	<b>90,378</b>



**Combined Nuclear Pension Plan  
Trustee's Summary of Contributions in respect of the Plan  
(continued)  
For the year ended 31 March 2010**

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**Contributions payable under the Plan rules and recommendations of the actuary  
in respect of the Plan year**

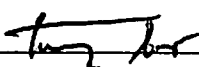
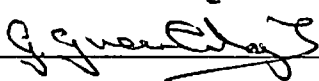
	<b>£000</b>
<b>Employer</b>	
Normal contributions	35,062
Shift pay contributions	1,515
Augmentation	2,442

<b>Member</b>	
Normal contributions	7,629
Shift pay contributions	775
AVC	970

<b>Contributions payable under the Plan rules and recommendations of the actuary (as reported by the Plan auditors)</b>	<b><u>48,393</u></b>
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<b>Total contributions reported in the financial statements</b>	<b><u>138,771</u></b>
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Signed on behalf of the Trustee on 7 October 2010 .

	Trustee Director
	Trustee Director

**Combined Nuclear Pension Plan  
Compliance Statement  
For the year ended 31 March 2010**

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**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**

All transfer values paid to other pension schemes or credits given in respect of transfer values received from other pension schemes during the year were calculated and verified by the Plan's actuary or calculated in accordance with instructions prepared by him, in accordance with statutory regulations. 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 year.

## **Combined Nuclear Pension Plan Compliance Statement (continued) For the year ended 31 March 2010**

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### **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 1.

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. The TPAS website address is [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk) and they can be contacted by telephone on 0845 601 2923 or by email to [enquiries@pensionsadvisoryservice.org.uk](mailto:enquiries@pensionsadvisoryservice.org.uk).

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.

### **Summary Funding Statements**

As part of the Plan newsletter, all members of the defined benefit structure receive an annual Summary Funding Statement including information about the funding of the Plan and an explanation of any changes since the previous statement. However, a Summary Funding Statement has not been prepared this year, as the Plan is under going a full actuarial valuation. Copies of the previous year's annual funding statements were published in the 2009 newsletter.

## **Combined Nuclear Pension Plan ("the Plan")**

### **Springfields Fuels Limited Section**

#### **Schedule of Contributions for the purposes of Part 3 of the Pensions Act 2004 and Section 9 of the Occupational Pensions Schemes (Scheme Funding) Regulations 2005.**

##### **Status**

This Schedule of Contributions has been prepared by the Trustee of the Plan, after obtaining the advice of Robert Issitt, the actuary of the Plan.

The contribution rates and payment dates have been agreed between the Trustee and Nuclear Decommissioning Authority ("the Lead Company").

**Contributions to be paid towards the Scheme from 1 April 2008 to 31 March 2017**

##### **1) Defined Benefit Structure:**

**Member contributions:** 5% per annum of Pensionable Earnings.

Member contributions are reduced to 1.5% of Pensionable Earnings when a member's Total Reckonable Service reaches 40 years.

##### **Employer contributions:**

**From 1 April 2008 to 31 March 2009:** 18.9% per annum of Pensionable Earnings of each member.

**From 1 April 2009 :** 19.7% per annum of Pensionable Earnings of each member, plus £11,500 per month.

**Payment dates:** To be deducted from earnings by the Employer and paid to the Plan on or before the 19th of each calendar month.

##### **2) New Joiners Benefit Structure:**

<b>Member Contributions</b>	<b>Employer Contributions</b>
3%	8%
4%	9.5%
5%	11%
6%	12.5%
7% or more	13.5%

Percentages relate to a member's Pensionable Pay.

**Payment dates:**

To be deducted from earnings by the employer and paid to the Plan on or before the 19th of each calendar month.

**3) Shift Pay Pension Plan:**

**Member contributions:**

Minimum of 5% per annum of Shift Pay.

**Employer contributions:**

From 1 July 2008 to 31 March 2009 : 18.9% per annum of Shift Pay of each member.

From 1 April 2009 : 19.7% per annum of Shift Pay of each member.

**Payment dates:**

To be deducted from earnings by the Employer and paid to the Plan on or before the 19th of each calendar month.

In addition, the employer will pay any contributions required to meet any augmentations granted or benefit improvements as agreed with the actuary of the Plan, no later than the end of the calendar month following the augmentation being granted. Any costs, charges and expenses incurred by the CNPP (including costs of insurance, and levies payable to the Pension Protection Fund) will be met by the employer. To the extent that any such costs are paid out of CNPP assets, these will be reimbursed to the CNPP by the employers or the NDA in such proportions as the NDA will determine.

Any Additional Voluntary Contributions which members have chosen to make, whether invested on a defined contribution basis or used to purchase added years, are payable in addition to the above contribution rates and are to be paid on or before the 19th of the month after the month in which they have been deducted from earnings.

**Pensionable Earnings**

The definition of Pensionable Earnings is all gross sums received annually by a member in terms of (a) salary or wages, excluding overtime, bonuses and Shift Pay which is pensionable separately under Shift Pay Pension Plan rules; (b) responsibility allowances; and (c) any other emoluments included within definition of Pensionable Earnings for purposes of CPS.

## **Pensionable Pay**

The definition of Pensionable Pay is all gross sums received annually by a member in terms of (a) salary or wages, excluding overtime but including Shift Pay; (b) responsibility allowances; and (c) any other emoluments that the Lead Company declares to be reckonable as Pensionable Pay and which are notified in writing to members concerned.

Signed on behalf of Nuclear Decommissioning Authority *P A Vaughan*  
Name: P A VAUGHAN  
Position: Group Head of Pensions  
Date: 28 April 2008

Signed on behalf of the Trustee of the Plan *Tony Courten*  
Name: TONY COURTEN  
Position: TRUSTEE C.I.A.A.  
Date: 28 April 2008

This Schedule of Contributions, dated 28 April 2008 has been agreed by the Trustee of the Plan after obtaining actuarial advice from me.

Signed *R.S. Issitt*  
Name: Robert Issitt FIA  
Position: Actuary to the Combined Nuclear Pension Plan  
Date: 28 April 2008

## **Form of actuary's certification of schedule of contributions**

**Name of scheme:** Combined Nuclear Pension Plan

### **Adequacy of rates of contributions**

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met by the end of the period specified in the Recovery Plan dated 28 April 2008.

### **Adherence to statement of funding principles**

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 28 April 2008.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Plan's liabilities by the purchase of annuities, if the Plan were to be wound up.

Signature: <i>R.S. Issitt</i>	Date: 28 April 2008
Name: Robert Issitt	Qualification: Fellow of the Institute of Actuaries
Address: Four Brindleyplace, Birmingham, B1 2HZ	Name of employer: Deloitte Total Reward and Benefits Limited

# **Combined Nuclear Pension Plan ("the Plan")**

## **Magnox North Section**

### **Schedule of Contributions for the purposes of Part 3 of the Pensions Act 2004 and Section 9 of the Occupational Pensions Schemes (Scheme Funding) Regulations 2005.**

#### **Status**

A Schedule of Contributions was agreed by the Nuclear Decommissioning Authority (the Lead Company) and the Trustee of the Plan on 12 June 2008 and certified by Robert Issitt, the actuary of the Plan, on the same date.

The Employer is introducing Smart Pensions with effect from 1 April 2009 under which the Employer will pay contributions which would otherwise have been paid by members. This Schedule of Contribution reflects this change to the contribution structure but otherwise is identical to the 12 June 2008 Schedule.

#### **Contributions to be paid towards the Scheme from 1 July 2008 to 30 June 2013**

##### **1) CPS Benefit Structure:**

**From 1 July 2008 to 31 March 2009:** 5% per annum of Pensionable Earnings paid by members and 19.2% of Pensionable Earnings of each member paid by the Employer.

**From 1 April 2009:** The Employer contributes 24.4% per annum of Pensionable Earnings of each member if the member participates in the sacrifice arrangement, otherwise members will pay 5% of Pensionable Earnings and the Employer will pay 19.4% of Pensionable Earnings.

**Payment dates:** Any member contributions to be deducted from earnings by the Employer and all contributions paid to the Plan on or before the 19th of each calendar month.



## **2) New Joiners Benefits Structure:**

<b>Member Contributions or Sacrifice</b>	<b>Employer Contributions</b>	
	<b>No sacrifice</b>	<b>With sacrifice</b>
3%	8.0%	11.0%
4%	9.5%	13.5%
5%	11.0%	16.0%
6%	12.5%	18.5%
7% or more	13.5%	20.5%
		plus any sacrifice made by members in excess of 7%

Percentages relate to a member's Pensionable Pay.

### **Payment dates:**

To be deducted from earnings by the Employer and paid to the Plan on or before the 19th of each calendar month.

## **3) Shift Pay Pension Plan:**

From 1 July 2008 to 31 March 2009:

Members contribute 5% per annum of Shift Pay or any higher amount the member elects to contribute. The Employer contributes 19.2% of Shift Pay of each member.

From 1 April 2009:

The Employer contributes 24.4% per annum of Shift Pay of each member if the member participates in the sacrifice arrangement plus any amount which the member sacrifices above 5% of Shift Pay. If the member does not participate in the sacrifice arrangement, the member will contribute 5% of Shift Pay plus any higher amount the member elects to contribute and the Employer pay 19.4% of Shift Pay.

### **Payment dates:**

Any member contributions to be deducted from earnings by the Employer and all contributions paid to the Plan on or before the 19th of each calendar month.

In addition, the Employer will pay any contributions required to meet any augmentations granted or benefit improvements as agreed with the actuary of the Plan, no later than the end of the calendar month following the augmentation being granted. Any costs, charges and expenses incurred by the Plan (including costs of insurance, and levies payable to the Pension Protection Fund) will be met by the

Employer. To the extent that any such costs are paid out of Plan assets, these will be reimbursed to the Plan by the employers or the Lead Company in such proportions as the Lead Company will determine.

Any Additional Voluntary Contributions or additional contributions paid by the Employer for members who have sacrificed pay in lieu of Additional Voluntary Contributions, which members have chosen to make, whether invested on a defined contribution basis or used to purchase added years, are payable in addition to the above contribution rates and are to be paid on or before the 19th of the month after the month in which they have been deducted from earnings.

### **Pensionable Earnings**

The definition of Pensionable Earnings is all gross sums received annually by a member in terms of (a) salary or wages, excluding overtime, bonuses and Shift Pay which is pensionable separately under Shift Pay Pension Plan rules; (b) responsibility allowances; and (c) any other emoluments included within definition of Pensionable Earnings for purposes of the CPS Benefit Structure. Pensionable Earnings are calculated before any salary sacrifice made due to members participating in the sacrifice arrangement.

### **Pensionable Pay**

The definition of Pensionable Pay is all gross sums received annually by a member in terms of (a) salary or wages, excluding overtime but including Shift Pay; (b) responsibility allowances; and (c) any other emoluments that the Lead Company declares to be reckonable as Pensionable Pay and which are notified in writing to members concerned. Pensionable Pay is calculated before any salary sacrifice made due to member participating in the sacrifice arrangement.

### **Shift Pay**

Shift Pay is the amount designated as such by the Employer, with the consent of Nuclear Decommissioning Authority.

Signed on behalf of Nuclear Decommissioning Authority

Name: P A Vaughan P A VAUGHAN  
Position: Group Head of Pensions  
Date: 3 April 2009

Signed on behalf of the Trustee of the Plan

Name: Tim Collins  
Position: Trustee  
Date: 20/4/2009

This Schedule of Contributions, dated has been agreed by the Trustee of the Plan after obtaining actuarial advice from me.

Signed R.S. Issitt

Name: Robert Issitt FIA  
Position: Actuary to the Combined Nuclear Pension Plan  
Date: 28 April 2009

## **Form of actuary's certification of schedule of contributions**

**Name of scheme:** Combined Nuclear Pension Plan

### **Adequacy of rates of contributions**

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 28 June 2007 to continue to be met for the period for which the schedule is to be in force.

### **Adherence to statement of funding principles**

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 June 2008.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Plan's liabilities by the purchase of annuities, if the Plan were to be wound up.

Signature: <i>R.S. Issitt</i>	Date: <i>28 April 2009</i>
Name: Robert Issitt	Qualification: Fellow of the Institute of Actuaries
Address: Four Brindleyplace, Birmingham, B1 2HZ	Name of employer: Deloitte Total Reward and Benefits Limited

# **Combined Nuclear Pension Plan (“the Plan”)**

## **Magnox South Section**

### **Schedule of Contributions for the purposes of Part 3 of the Pensions Act 2004 and Section 9 of the Occupational Pensions Schemes (Scheme Funding) Regulations 2005.**

#### **Status**

A Schedule of Contributions was agreed by the Nuclear Decommissioning Authority (the Lead Company) and the Trustee of the Plan on 12 June 2008 and certified by Robert Issitt, the actuary of the Plan, on the same date.

The Employer is introducing Smart Pensions with effect from 1 April 2009 under which the Employer will pay contributions which would otherwise have been paid by members. This Schedule of Contribution reflects this change to the contribution structure but otherwise is identical to the 12 June 2008 Schedule.

#### **Contributions to be paid towards the Scheme from 1 July 2008 to 30 June 2013**

##### **1) CPS Benefit Structure:**

**From 1 July 2008 to 31 March 2009:** 5% per annum of Pensionable Earnings paid by members and 19.2% of Pensionable Earnings of each member paid by the Employer.

**From 1 April 2009:** The Employer contributes 24.4% per annum of Pensionable Earnings of each member if the member participates in the sacrifice arrangement, otherwise members will pay 5% of Pensionable Earnings and the Employer will pay 19.4% of Pensionable Earnings.

**Payment dates:** Any member contributions to be deducted from earnings by the Employer and all contributions paid to the Plan on or before the 19th of each calendar month.

## **2) New Joiners Benefits Structure:**

<b>Member Contributions or Sacrifice</b>	<b>Employer Contributions</b>	
	<b>No sacrifice</b>	<b>With sacrifice</b>
3%	8.0%	11.0%
4%	9.5%	13.5%
5%	11.0%	16.0%
6%	12.5%	18.5%
7% or more	13.5%	20.5%
		plus any sacrifice made by members in excess of 7%

Percentages relate to a member's Pensionable Pay.

### **Payment dates:**

To be deducted from earnings by the Employer and paid to the Plan on or before the 19th of each calendar month.

## **3) Shift Pay Pension Plan:**

From 1 July 2008 to 31 March 2009:

Members contribute 5% per annum of Shift Pay or any higher amount the member elects to contribute. The Employer contributes 19.2% of Shift Pay of each member.

From 1 April 2009:

The Employer contributes 24.4% per annum of Shift Pay of each member if the member participates in the sacrifice arrangement plus any amount which the member sacrifices above 5% of Shift Pay. If the member does not participate in the sacrifice arrangement, the member will contribute 5% of Shift Pay plus any higher amount the member elects to contribute and the Employer pay 19.4% of Shift Pay.

### **Payment dates:**

Any member contributions to be deducted from earnings by the Employer and all contributions paid to the Plan on or before the 19th of each calendar month.

In addition, the Employer will pay any contributions required to meet any augmentations granted or benefit improvements as agreed with the actuary of the Plan, no later than the end of the calendar month following the augmentation being granted. Any costs, charges and expenses incurred by the Plan (including costs of insurance, and levies payable to the Pension Protection Fund) will be met by the

Employer. To the extent that any such costs are paid out of Plan assets, these will be reimbursed to the Plan by the employers or the Lead Company in such proportions as the Lead Company will determine.

Any Additional Voluntary Contributions or additional contributions paid by the Employer for members who have sacrificed pay in lieu of Additional Voluntary Contributions, which members have chosen to make, whether invested on a defined contribution basis or used to purchase added years, are payable in addition to the above contribution rates and are to be paid on or before the 19th of the month after the month in which they have been deducted from earnings.

### **Pensionable Earnings**

The definition of Pensionable Earnings is all gross sums received annually by a member in terms of (a) salary or wages, excluding overtime, bonuses and Shift Pay which is pensionable separately under Shift Pay Pension Plan rules; (b) responsibility allowances; and (c) any other emoluments included within definition of Pensionable Earnings for purposes of the CPS Benefit Structure. Pensionable Earnings are calculated before any salary sacrifice made due to members participating in the sacrifice arrangement.

### **Pensionable Pay**

The definition of Pensionable Pay is all gross sums received annually by a member in terms of (a) salary or wages, excluding overtime but including Shift Pay; (b) responsibility allowances; and (c) any other emoluments that the Lead Company declares to be reckonable as Pensionable Pay and which are notified in writing to members concerned. Pensionable Pay is calculated before any salary sacrifice made due to member participating in the sacrifice arrangement.

### **Shift Pay**

Shift Pay is the amount designated as such by the Employer, with the consent of Nuclear Decommissioning Authority.

Signed on behalf of Nuclear Decommissioning Authority

Name: P A Vaughan P A VAUGHAN

Position: Group Head of Pensions

Date: 3 April 2009.

Signed on behalf of the Trustee of the Plan

Name: my name Tyler

Position: Trustee Chair

Date: 20/4/2009

This Schedule of Contributions, dated has been agreed by the Trustee of the Plan after obtaining actuarial advice from me.

Signed R.S. Issitt

Name: Robert Issitt FIA

Position: Actuary to the Combined Nuclear Pension Plan

Date: 28 April 2009

## Form of actuary's certification of schedule of contributions

**Name of scheme:** Combined Nuclear Pension Plan

### Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective could have been expected on 26 June 2007 to continue to be met for the period for which the schedule is to be in force.

### Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 12 June 2008.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Plan's liabilities by the purchase of annuities, if the Plan were to be wound up.

Signature: <i>R.S. Issitt</i>	Date: <i>28 April 2009</i>
Name: Robert Issitt	Qualification: Fellow of the Institute of Actuaries
Address: Four Brindleyplace, Birmingham, B1 2HZ	Name of employer: Deloitte Total Reward and Benefits Limited

## **Schedule of Contributions**

### **Combined Nuclear Pension Plan ("The Plan")**

#### **LLWR Section**

***Schedule of Contributions for the purposes of Part 3 of the Pensions Act 2004 and Section 9 of the Occupational Pensions Schemes (Scheme Funding) Regulations 2005.***

#### **Status**

This Schedule of Contributions has been prepared by the Trustee of the Plan, after obtaining the advice of Robert Issitt, the actuary of the Plan.

The contribution rates and payment dates have been agreed between the Trustee and Nuclear Decommissioning Authority ("the Lead Company").

**Contributions to be paid towards the Scheme from 1 December 2008 to 30 November 2013**

#### **1) CPS Benefit Structure:**

**Member contributions:** 5% per annum of Pensionable Earnings.

Member contributions are reduced to 1.5% of Pensionable Earnings when a member's Total Reckonable Service reaches 40 years.

#### **Employer contributions:**

**From 1 December 2008 to 31 March 2009:** 19.7% per annum of Pensionable Earnings of each member.

**From 1 April 2009:** 21.3% per annum of Pensionable Earnings of each member.

**Payment dates:** Member contributions to be deducted from earnings by the Employer and all contributions paid to the Plan on or before the 19th of each calendar month.



**2) New Joiners Benefits Structure:**

<b>Member Contributions</b>	<b>Employer Contributions</b>
3%	8%
4%	9.5%
5%	11%
6%	12.5%
7% or more	13.5%

Percentages relate to a member's Pensionable Pay.

**Payment dates:** To be deducted from earnings by the employer and paid to the Plan on or before the 19th of each calendar month.

**3) Shift Pay Pension Plan:**

**Member contributions:** Minimum of 5% per annum of Shift Pay.

**Employer contributions:**

From 1 December 2008 to 31 March 2009: 19.7% per annum of Shift Pay of each member.

From 1 April 2009: 21.3% per annum of Shift Pay of each member.

**Payment dates:** Member contributions to be deducted from earnings by the Employer and all contributions paid to the Plan on or before the 19th of each calendar month.

In addition, the employer will pay any contributions required to meet any augmentations granted or benefit improvements as agreed with the actuary of the Plan, no later than the end of the calendar month following the augmentation being granted. Any costs, charges and expenses incurred by the Plan (including costs of insurance, and levies payable to the Pension Protection Fund) will be met by the employer. To the extent that any such costs are paid out of Plan assets, these will be reimbursed to the CNPP by the employers or the Lead Company in such proportions as the Lead Company will determine.

Any Additional Voluntary Contributions which members have chosen to make, whether invested on a defined contribution basis or used to purchase added years, are payable in addition to the above contribution rates and are to be paid on or before the 19th of the month after the month in which they have been deducted from earnings.

### **Pensionable Earnings**

The definition of Pensionable Earnings is all gross sums received annually by a member in terms of (a) salary or wages, excluding overtime, bonuses and Shift Pay which is pensionable separately under Shift Pay Pension Plan rules; (b) responsibility allowances; and (c) any other emoluments included within definition of Pensionable Earnings for purposes of the CPS Benefit Structure.

### **Pensionable Pay**

The definition of Pensionable Pay is all gross sums received annually by a member in terms of (a) salary or wages, excluding overtime but including Shift Pay; (b) responsibility allowances; and (c) any other emoluments that the Lead Company declares to be reckonable as Pensionable Pay and which are notified in writing to members concerned.

Signed on behalf of Nuclear Decommissioning Authority

Name: 

Position: 

Date: 4 December 2008

Signed on behalf of the Trustee of the Plan

Name: 

Position: 

Date: 4 December 2008

This schedule of contributions, dated 4 December 2008 has been agreed by the trustee of the plan after obtaining actuarial advice from me.

Signed 

Name: Robert Issitt FIA

Position: Actuary to the Combined Nuclear Pension Plan

Date: 4 December 2008

**Form of actuary's certification of schedule of contributions**

**Name of scheme:** Combined Nuclear Pension Plan – LLWR Section

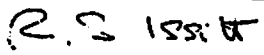
**Adequacy of rates of contributions**

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met.

**Adherence to statement of funding principles**

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 4 December 2008.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Plan's liabilities by the purchase of annuities, if the Plan were to be wound up.

Signature: 	Date: 4 December 2008
Name: Robert Issitt	Qualification: Fellow of the Institute of Actuaries
Address: Four Brindleyplace, Birmingham, B1 2HZ	Name of employer: Deloitte Total Reward and Benefits Limited

## **APPENDIX 4 Schedule of Contributions**

### **Combined Nuclear Pension Plan ("The Plan")**

#### **Sellafield Section**

*Schedule of Contributions for the purposes of Part 3 of the Pensions Act 2004 and Section 9 of the Occupational Pensions Schemes (Scheme Funding) Regulations 2005.*

#### **Status**

This Schedule of Contributions has been prepared by the Trustee of the Plan, after obtaining the advice of Robert Issitt, the actuary of the Plan.

The contribution rates and payment dates have been agreed between the Trustee and Nuclear Decommissioning Authority ("the Lead Company").

**Contributions to be paid towards the Scheme from 24 November 2008 to 31 March 2014**

#### **1) CPS Benefit Structure:**

**Member contributions:** 5% per annum of Pensionable Earnings.

#### **Employer contributions:**

**From 24 November 2008 to 31 March 2010:** 23.2% per annum of Pensionable Earnings of each member.

**From 1 April 2010:** 22.0% per annum of Pensionable Earnings of each member.

**Payment dates:** Member contributions to be deducted from earnings by the Employer and all contributions paid to the Plan on or before the 19th of each following month.

**2) New Joiners Benefit Structure:**

Employer contributions depend on the level of contributions each member elects to pay, as follows:

<b>Member Contributions</b>	<b>Employer Contributions</b>
3%	8%
4%	9.5%
5%	11%
6%	12.5%
7% or more	13.5%

Percentages relate to a member's Pensionable Pay.

**Payment dates:**

Member contributions to be deducted from earnings by the Employer and all contributions paid to the Plan on or before the 19th of each following month.

**3) Shift Pay Pension Plan:**

**Member contributions:**

Minimum of 5% per annum of Shift Pay.

**Employer contributions:**

From 24 November 2008 to 31 March 2010:

23.2% per annum of Shift Pay of each member.

From 1 April 2010:

22.0% per annum of Shift Pay of each member.

**Payment dates:**

Member contributions to be deducted from earnings by the Employer and all contributions paid to the Plan on or before the 19th of each following month.

In addition, the Employer will pay any contributions required to meet any augmentations granted or benefit improvements as agreed with the actuary of the Plan, no later than the end of the calendar month following the augmentation being granted. Any costs, charges and expenses incurred by the Plan and levies payable to the Pension Protection Fund will be met by the Employer. To the extent that any such costs are paid out of Plan assets, these will be reimbursed to the Plan by the Employer or the Lead Company in such proportions as the Lead Company will determine.

Any Additional Voluntary Contributions which members have chosen to make, whether invested on a defined contribution basis or used to purchase added years, are payable in addition to the above contribution rates and are to be paid on or before the 19th of the month after the month in which they have been deducted from earnings.

#### **Pensionable Earnings**

The definition of Pensionable Earnings is all gross sums received annually by a member in terms of (a) salary or wages, excluding overtime, bonuses and Shift Pay which is pensionable separately under Shift Pay Pension Plan rules; (b) responsibility allowances; and (c) any other emoluments included within definition of Pensionable Earnings for purposes of the CPS Benefit Structure.

#### **Pensionable Pay**

The definition of Pensionable Pay is all gross sums received annually by a member in terms of (a) salary or wages, excluding overtime but including Shift Pay; (b) responsibility allowances; and (c) any other emoluments that the Lead Company declares to be reckonable as Pensionable Pay and which are notified in writing to members concerned.

Signed on behalf of Nuclear Decommissioning Authority

Name: *P A Vaughan*  
Position: *P A VAUGHAN*  
Date: 23 September 2009

Signed on behalf of the Trustee of the Plan

Name: *Tim L...*  
Position: *Chairman of the Trustee*  
Date: 23 September 2009

This Schedule of Contributions, dated 23 September 2009 has been agreed by the Trustee of the Plan after obtaining actuarial advice from me.

Signed *R S. Isitt*  
Name: Robert Isitt FIA  
Position: Actuary to the Plan  
Date: 23 September 2009

**Actuary's certification of schedule of contributions**

**Name of scheme:** Combined Nuclear Pension Plan – Sellafield Section


**Adequacy of rates of contributions**

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the statutory funding objective can be expected to be met.

**Adherence to statement of funding principles**

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 23 September 2009.

The certification of the adequacy of the rates of contributions for the purpose of securing that the statutory funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Plan's liabilities by the purchase of annuities, if the Plan were to be wound up.

Signature: 	Date: 23 September 2009
Name: Robert Issitt	Qualification: Fellow of the Institute of Actuaries
Address: Four Brindleyplace, Birmingham, B1 2HZ	Name of employer: Deloitte Total Reward and Benefits Limited