
COMBINED NUCLEAR PENSION PLAN

REPORT AND ACCOUNTS

YEAR ENDED 31 MARCH 2015

COMBINED NUCLEAR PENSION PLAN

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COMBINED NUCLEAR PENSION PLAN

TRUSTEE AND ITS ADVISERS YEAR ENDED 31 MARCH 2015

Trustee	<p>Combined Nuclear Pension Plan Trustees Limited Herdus House Westlakes Science & Technology Park Moor Row CA24 3HU</p> <p>Mrs J Corbett - Member nominated (appointed 1 April 2014) Mr I Driver - Member nominated Mr J Ford - Member nominated Mr D Gregory - Member nominated Mr D Illingworth - Chairman Mr N Lowe (appointed 1 October 2014) Mr A Oldham Dr P Vaughan (resigned 30 September 2014) Mr D Vineall (appointed 1 May 2014)</p>
Secretary to the Trustee	<p>Steve Hayton APMI Combined Nuclear Pension Plan c/o NDA B587 Curie Avenue Harwell Oxford Didcot Oxfordshire OX11 0RH</p>
Plan Actuary	<p>Mark McClintock Deloitte Total Reward and Benefits Limited 19 Bedford Street Belfast BT2 7EJ</p>
Plan Administrators	<p>Aon Hewitt Limited (for sections other than Nirex) Brims House Forss Business & Technology Park by Thurso Caithness KW14 7UZ</p> <p>Barnett Waddingham LLP (Plan administrators for the Nirex Section) St James's House St James's Square Cheltenham Gloucestershire GL50 3PR</p>

COMBINED NUCLEAR PENSION PLAN

TRUSTEE AND ITS ADVISERS YEAR ENDED 31 MARCH 2015

Auditor

KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

Investment Managers***Defined Benefit***

Babson Capital ("Babson")
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Baring Asset Management Limited ("Barings") (Until 30 September 2014)
155 Bishopsgate
London
EC2M 3XY

BlackRock Advisors (UK) Limited ("BlackRock")
Drapers Gardens
12 Throgmorton Avenue
London
EC2N 2DL

Columbia Threadneedle Investments (Channel Islands) Limited ("Threadneedle")
60 St Mary Axe
London
EC3A 8JQ

Highbridge Capital Management (UK) Limited ("Highbridge")
25 St James's Street
London
SW1A 1HA

Insight Investment Management (Global) Limited ("Insight")
160 Queen Victoria Street
London
EC4V 4LA

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

COMBINED NUCLEAR PENSION PLAN

TRUSTEE AND ITS ADVISERS YEAR ENDED 31 MARCH 2015

**Investment Managers
(continued)**

MFS International (UK) Limited ("MFS")
Paternoster House
65 St Paul's Churchyard
London
EC4M 8AB

Partners Group (Guernsey) Limited ("Partners Group")
Tudor House
St Peters Port
GY1 6BD
(appointed 8 December 2014)

Standard Life Assurance Limited ("Standard Life")
1 George Street
Edinburgh
EH2 2LL

**Common Investment
Platform**

State Street Bank & Trust Co
20 Churchill Place
London
E14 5HJ
(appointed 1 April 2015 for the Sellafield and GPS SLC sections only)

Investment Platform

Defined Contribution
BlackRock Life Limited
12 Throgmorton Avenue
London
EC2N 2DL

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

Banker

Royal Bank of Scotland PLC
11 Orlig Street
Thurso
Caithness
KW14 7BL

Legal Adviser

Squire Patton Boggs (UK) LLP
7 Devonshire Square
Cutlers Gardens
London
EC2M 4YH

COMBINED NUCLEAR PENSION PLAN

TRUSTEE AND ITS ADVISERS YEAR ENDED 31 MARCH 2015

Investment Consultant	Hyma's Robertson LLP One London Wall London EC2Y 5EA
Independent Medical Adviser	Medigold Health Consultancy Limited Medigold House Queensbridge Northampton NN4 7BF
Covenant Adviser	Mercer (until 31 March 2015) 1 Tower Place West Tower Place London EC3R 5BY AlixPartners Services UK LLP ("AlixPartners") (appointed 1 April 2015) 10 Fleet Place London EC4M 7RB
Life Insurer	MetLife Europe Limited (until 31 March 2015) Invicta House Trafalgar Place BN1 4FR Rutherford Indemnity Limited (appointed 1 April 2015) PO Box 34 St Martin's House Le Bordage St Peter Port Guernsey GY1 4AU

COMBINED NUCLEAR PENSION PLAN

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Sponsoring Employers

Direct Rail Services Limited
Herdus House
Westlakes Science & Technology Park
Moor Row
CA24 3HU

Dounreay Site Restoration Limited
Building D2003
Dounreay
Thurso
KW14 7TZ

EnergySolutions EU Limited
1st Floor Stella Building
Windmill Hill Business Park
Swindon
Wiltshire
SN5 6NX

International Nuclear Services Limited
Herdus House
Westlakes Science & Technology Park
Moor Row
CA24 3HU

LLW Repository Limited
Drigg
CA19 1XH

Magnox Limited
Berkeley Centre
Berkeley
GL13 9PB

National Nuclear Laboratory Limited
Chadwick House
Warrington Road
Birchwood Park
Warrington
WA3 6AE

Nuclear Decommissioning Authority (NDA)
Herdus House
Westlakes Science and Technology Park
Moor Row
CA24 3HU

Research Sites Restoration Limited (merged with Magnox Limited with effect from 1 April 2015)
B552 Fifteenth Street
Harwell Science and Innovation Campus
Didcot
OX11 0TQ

COMBINED NUCLEAR PENSION PLAN

TRUSTEE AND ITS ADVISERS YEAR ENDED 31 MARCH 2015

**Sponsoring Employers
(continued)**

Sellafield Limited
Booths Park
Chelford Road
Knutsford
Cheshire
WA16 8QZ

Springfields Fuels Limited
Springfields
Salwick
Preston
PR4 0XJ

Uranium Asset Management Limited
Springfields
Salwick
Preston
PR4 0XJ

Westinghouse Electric UK Holdings Limited
Springfields
Salwick
Preston
PR4 0XJ

Contact address

Aon Hewitt Limited
Brims House
Forss Business & Technology Park
by Thurso
Caithness
KW14 7UZ

COMBINED NUCLEAR PENSION PLAN

TRUSTEE'S REPORT YEAR ENDED 31 MARCH 2015

Introduction

The Trustee of Combined Nuclear Pension Plan (the 'Plan') is pleased to present the annual report together with the audited accounts for the year ended 31 March 2015. The Plan incorporates a defined benefit structure and a defined contribution structure administered by Aon Hewitt Limited in accordance with the establishing documents and rules, solely for the benefit of its members and other beneficiaries.

The Plan was established with effect from 1 October 2006.

Individual employers participate in one or more sections 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 Plan website (cnpp.org.uk).

Plan developments

There have been no developments affecting the 13 sections of the Plan during the year.

After the year end, following merger of the Magnox Limited and Research Sites Restoration Limited Site Licence Companies, the RSRL Section was merged into the Magnox Section on 1 April 2015. A Common Investment Platform (CIP) was also established on 1 April 2015, which will enable the Plan to benefit from both economies of scale and investment administrative efficiency in future years.

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 by the members, for a fixed period of no more than four years and can stand for subsequent re-election. The Lead Company appoints the Chairman of the Trustee from among the Trustee Directors.

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

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TRUSTEE'S REPORT YEAR ENDED 31 MARCH 2015

Trustee meetings

During the year the Trustee Board 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
- Investment sub-committee (met four times during the year)

In addition, a Discretionary sub-committee and an Audit and Administration sub-committee will meet as required.

The Lead Company and Sponsoring Employers

The Lead Company of the Plan is the NDA. There were 13 sponsoring employers during the year and the sections in which they have participated are listed below:

Section	Sponsoring Employer
Closed	NDA
DSRL	Dounreay Site Restoration Limited
GPS DRS	Direct Rail Services Limited
GPS EnergySolutions	EnergySolutions EU Limited
GPS Nexia	National Nuclear Laboratory Limited
GPS SLC	International Nuclear Services Limited
	LLW Repository Limited
	Magnox Limited
	Sellafield Limited
GPS WEC/UAM	Springfields Fuels Limited
	Uranium Asset Management Limited
	Westinghouse Electric UK Holdings Limited
LLWR	LLW Repository Limited
Magnox	Magnox Limited
Nirex	NDA
RSRL (merged with Magnox Limited on 1 April 2015)	Research Sites Restoration Limited
Sellafield	Sellafield Limited
Springfields Fuels 2 (SFL2)	Springfields Fuels Limited

The Plan is provided for all eligible employees of the sponsoring employers.

Pension Protection Fund

The payment of the Pension Protection Fund levies are met by the sponsoring employers when due.

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TRUSTEE'S REPORT YEAR ENDED 31 MARCH 2015

Membership

Details of the membership of the Plan as at 31 March 2015 are given below:

	Active members 2015	Deferred pensioners 2015	Pensioners 2015	Total 2015
Defined Benefit Structure				
Members at the start of the year	10,762	2,659	1,957	15,378
New entrants in the year	3	-	-	3
New spouses and dependants	-	-	38	38
Retirements	(232)	(143)	375	-
Deaths	(22)	(5)	(12)	(39)
Members leaving with no benefit	(1)	(12)	-	(13)
Members leaving with preserved benefits	(182)	182	-	-
Sub total	<u>10,328</u>	<u>2,681</u>	<u>2,358</u>	<u>15,367</u>
Defined Contribution Structure				
Members at the start of year	3,411	135	-	3,546
New entrants in the year	1,130	-	-	1,130
Members leaving with preserved benefits	(66)	66	-	-
Deaths	(1)	-	-	(1)
Members leaving with no benefit	(97)	(3)	-	(100)
Sub total	<u>4,377</u>	<u>198</u>	<u>-</u>	<u>4,575</u>
TOTAL MEMBERSHIP AT THE END OF THE YEAR	<u><u>14,705</u></u>	<u><u>2,879</u></u>	<u><u>2,358</u></u>	<u><u>19,942</u></u>

Included within the closing pensioners figure are dependant pensioners of 187 (2014: 149).

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TRUSTEE'S REPORT YEAR ENDED 31 MARCH 2015

The membership figures are broken down by section as follows:

Defined Benefit Structure

	Active members	Deferred members	Pensioners	Total
Closed	-	1,055	313	1,368
DSRL	670	185	110	965
GPS DRS	196	59	31	286
GPS EnergySolutions	5	4	4	13
GPS Nexia	3	1	1	5
GPS SLC	509	450	412	1,371
GPS WEC/UAM	52	16	8	76
LLWR	92	7	6	105
Magnox	246	94	109	449
Nirex	-	84	79	163
RSRL	319	36	55	410
Sellafield	7,321	586	1,105	9,012
SFL2	915	104	125	1,144
	<hr/>	<hr/>	<hr/>	<hr/>
Total	10,328	2,681	2,358	15,367
	<hr/>	<hr/>	<hr/>	<hr/>

Defined Contribution Structure

	Active members	Deferred members	Pensioners	Total
Closed	-	1	-	1
DSRL	321	4	-	325
GPS DRS	204	7	-	211
GPS SLC	33	1	-	34
GPS WEC/UAM	27	8	-	35
LLWR	127	1	-	128
Magnox	509	60	-	569
RSRL	219	3	-	222
Sellafield	2,785	84	-	2,869
SFL2	152	29	-	181
	<hr/>	<hr/>	<hr/>	<hr/>
Total	4,377	198	-	4,575
	<hr/>	<hr/>	<hr/>	<hr/>

The pensioners figure includes dependant pensioners.

There were no members included in the Plan for life assurance only benefits.

COMBINED NUCLEAR PENSION PLAN

TRUSTEE'S REPORT YEAR ENDED 31 MARCH 2015

Benefits changes

There were no changes to the Plan benefits during the year.

Pensions Increases

Pensions in payment and deferred pensions received a 3.2% increase from 1 April 2014 for all Benefit Structures with the exception of the Nirex Benefit Structure which received a 2.7% increase. The Trust Deed and Rules of the Plan specify the increases which are based on the percentage increase of the RPI in September each year for CPS and GPS Structures, and LPI in December each year for the Nirex Structure. There were no discretionary increases awarded in the year.

Review of the financial developments during the year as shown by the audited accounts

The accounts on pages 22 to 33 show that the value of the Plan's assets increased by £371,311,000 to £1,929,097,000 as at 31 March 2015. The increase was comprised of net additions from dealings with members of £139,879,000, together with a net increase in the value of investments of £231,432,000.

The accounts have been prepared and audited in accordance with the regulations made under Sections 41 (1) and (6) of the Pensions Act 1995.

Further details of the financial developments of the Plan may be found in the audited accounts on pages 22 to 33.

Actuarial review

The accounts set out on pages 22 to 33 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 Plan 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 next triennial Actuarial Valuations are due as at 31 March 2016.

Actuarial valuations for all 13 sections as at 31 March 2013 have been completed and the corresponding actuarial statements are set out in the appendix to that report.

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TRUSTEE'S REPORT YEAR ENDED 31 MARCH 2015

General investment matters

All investments, except Additional Voluntary Contributions ("AVCs"), Shift Pay Pension Plan ("SPPP") and the Defined Contribution Structure funds, have been managed during the year under review by the Plan's Defined Benefit investment managers.

The Plan's investment strategy is agreed by the Trustee after taking appropriate professional 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.

During the year, Partners Group Limited was appointed to provide Multi Asset Credit Strategies and, effective from 7 April 2015, also appointed to provide a Global Value Fund. New mandates were also set up with Babson Capital Limited and Legal & General Investment Management. In September 2014, all funds in Baring Asset Management Limited were divested and reinvested elsewhere within the Plan asset classes.

AVCs, SPPP and the Defined Contribution Structure funds are invested with BlackRock Advisors (UK) Limited and 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.

The Trustee has delegated the exercise of voting rights to the investment managers on the basis that voting power will be exercised by them with the objective of preserving and enhancing long term shareholder value. Accordingly, the managers have produced written guidelines of their process and practice in this regard. The investment managers are encouraged to vote in line with their guidelines in respect of all resolutions at annual and extraordinary general meetings of companies.

The extent to which social, environmental and ethical considerations are taken into account in investment decisions is left to the discretion of the investment managers subject to such social, environmental and ethical issues not having a prejudicial financial impact on the securities held.

Statement of Investment Principles

The Trustee has produced a Statement of Investment Principles in accordance with Section 35 of the Pensions Act 1995. The Statement dated 10 July 2014 is available on the CNPP website and is currently being updated to reflect agreed changes. An updated copy of the Statement will be available on the CNPP website (cnpp.org.uk) following its adoption by the Trustee Board. 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 when they fall due.

Payments to the Employer

No payments have been made out of the Plan to the Employer since its inception and none are envisaged.

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TRUSTEE'S REPORT YEAR ENDED 31 MARCH 2015

Custodial arrangements

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

The investment managers appoint custodians for the safe custody of assets. The custodians who have been appointed by the investment managers are:

Babson Capital	State Street Custodial Services (Ireland) Limited
Barings (until 30 September 2014) and Insight	The Northern Trust Company
BlackRock and MFS	State Street Bank Luxembourg S.A.
Highbridge	No custodian is appointed due to the nature of the underlying investments - Harmonic Fund Services are used to record unit holdings
Legal & General	HSBC Bank Plc and Citibank International Plc
Standard Life	Citigroup Inc
Columbia Threadneedle	No custodian is appointed due to the nature of the underlying investments - BNP Paribas are used to record unit holdings
Partners Group	Partners Group Global Strategies 2014 Fund Deutsche Bank AG
	No custodian is appointed for the Partners Group Global Value 2014 Fund due to the nature of the investment. The General Partner, Partners Group Management II Limited, a Guernsey limited liability company, manages the fund's investments and day-to-day operations.

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 Aon Hewitt Limited.

Self-investment

The investments of the Plan are invested in accordance with Section 40 of the Pensions Act 1995.

COMBINED NUCLEAR PENSION PLAN

TRUSTEE'S REPORT YEAR ENDED 31 MARCH 2015

Transfers

Members leaving service can normally transfer the value of their benefits under the Plan to another pension scheme that they join or to an insurance contract or personal/stakeholder pension.

The transfer value of a Plan member's benefits includes no allowance for any discretionary benefits which might be awarded in the future.

The transfer values paid during the year were calculated and verified by the Plan Actuary in accordance with statutory regulations.

Further information

Further information about the Plan is available, on request, to members and prospective members, their spouses and other beneficiaries together with all recognised trade unions. In particular, the documents constituting the Plan, the Rules and a copy of the latest actuarial report and the Trustees' Statement of Investment Principles can be inspected.

Individual benefit statements are provided to active members annually. In addition to the information shown on these statements members can request details of the amount of their current transfer value and, if applicable, the current amount of any refund of contributions to which they would be entitled on leaving service. Such requests are available free of charge once a year.

If members have any queries concerning the Plan or their own pension position, or wish to obtain further information, they should contact the Trustee at the address shown below who will also be able to provide them with a further copy of the Plan Rules, should they require one, and answer any queries that they may have about entitlement to benefits.

The Trustee of Combined Nuclear Pension Plan
c/o Aon Hewitt Limited
Brims House
Forss Business & Technology Park
by Thurso
Caithness
KW14 7UZ

Email: cnpp.mailbox@aonhewitt.com

The Data Protection Act 1998 seeks to protect and respect the individual's rights to privacy. The Data Protection Act came into force on 1 March 2000 and regulates the use of personal data relating to living individuals that are processed automatically or manually and held in a relevant filing system. Explicit consent of the member is required where personal sensitive data is held or processed. Sensitive information can include information relating to, for example, the health of a member.

The Trustee, in their capacity as 'Data Controllers' and the Plan's advisers and suppliers in their capacity as 'Data Processors' under the Act each have a legal obligation and legitimate interest to process data relating to members for the purpose of administering and operating the Plan, which includes passing on data to third parties. For example, the provision of Death in Service benefits requires information to be passed to other professional providers and life office advisers who underwrite such benefits.

The Company (which is also regarded as a "Data Controller") also has a legal obligation and legitimate interest to process data relating to members for the purpose of administering and operating the Plan, which includes passing on data to third parties, as mentioned above.

COMBINED NUCLEAR PENSION PLAN

INVESTMENT REPORT

General market report

The last 12 months were positive for most asset classes, with gilt yields falling sharply to historically low levels over all durations. This pushed returns on fixed interest and index-linked gilts into double digit territory. Credit spreads also narrowed significantly, resulting in credit outperforming gilts as a like-for-like (i.e. duration-adjusted) basis. Equities were mostly buoyant over the year, with Japan and the US being the stand out performers in sterling terms. However, returns on UK equities lagged somewhat behind those on global indices. Property continued to have another strong year, up over 18% during the 12 months to 31 March 2015, as capital values continued to push ahead and income remained strong.

A major theme over the year was the collapse of oil prices, which roughly halved over the six months to 31 December 2014, and remained low over the first three months of 2015. Whilst this threw big exporters like Russia into disarray, the IMF indicated that a prolonged price slump could boost global economic growth by between 0.3% and 0.7% in 2015.

Economic news during the year was mixed. US economic growth was strong for much of the period and the Federal Reserve finished its quantitative easing (QE) programme in October 2014. However, economic momentum in the US began to tail off towards the end of 2014 and news during the early months of 2015 was a little disappointing. Poor weather and the impact of the strong dollar were contributory factors. In contrast, recent data relating to the Eurozone has indicated some improvement, albeit from a very low base. Over the year the European Central Bank cut interest rates, in two stages, from 0.25% to 0.05% and launched a €1.1tn QE programme in March 2015.

Lower oil prices quickly translated into lower headline inflation, which further dampened investors' concerns about US (and UK) short-term interest rates being raised, at least in the immediate future. This, in turn, was a major factor behind significant rises in global equity and bond markets over the year.

In the UK, official estimates for economic growth in 2014 were revised upwards from 2.6% to 2.8%, the highest rate since 2006. Current forecasts suggest 2015 will almost match this. In February, the Governor of the Bank of England expressed the view that CPI inflation could temporarily fall below zero because of falling oil prices.

A recurring theme throughout the period was when and by how much the US might start to 'normalise' short-term interest rates from the current record low. This difficult task has to be handled with extreme care in the US, and ultimately in other major financial centres.

Babson

The Trustee invests in the Babson Capital Global Loan fund for the Sellafield, LLWR, RSRL, DSRL, Springfields 2 and Magnox sections. This is a fund that invests the majority of the assets in senior secured loans which sit at the top of an issuer's capital structure and are secured against specific company assets. The fund can also look to invest assets in senior secured bonds issued by North American and European companies. The objective is to provide investors with current income and, where appropriate, capital appreciation.

With effect from 28 November 2014 the Trustee invested in the Babson Capital Global High Yield Credit Strategies fund for the Sellafield Section and over the course of the Plan year the LLWR, RSRL, DSRL and Magnox sections also invested in the fund. The fund will invest principally in a portfolio of high yield fixed and floating rate corporate debt instruments, focusing primarily on North American and European high yield instruments which are listed or traded on recognised markets in Europe or North America. The investment objective of the fund is to provide high current income generation and, where appropriate, capital appreciation.

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INVESTMENT REPORT

Barings

Over the period to September 2014, the Trustee held assets in the Barings Dynamic Asset Allocation Fund (DAAF) for all sections other than GPS Nexia, GPS WEC/UAM, GPS DRS, GPS SLC, GPS EnergySolutions, Nirex and Closed sections. The objective was to provide a positive absolute return against a cash based benchmark. The DAAF is actively managed and the investment manager has discretion to tactically move between asset classes depending on prevailing market conditions. Following the departure of Barings' head of their multi-asset group, the Trustee decided to disinvest the assets held with Barings on 16 September 2014 and reinvest them elsewhere within the Plan asset classes.

BlackRock

The Trustee invests in the BlackRock Dynamic Diversified Growth Fund (DDGF) for the GPS Nexia, GPS WEC/UAM, GPS DRS, GPS SLC and GPS EnergySolutions sections. The objective of the fund is to provide a positive absolute return against a cash based benchmark. The DDGF is actively managed and the investment manager employs a more flexible approach to asset allocation, with the option to employ derivatives at the manager's discretion. The DDGF seeks to generate positive, consistent returns in a range of market environments with significantly lower volatility than an equity portfolio.

Highbridge

The Trustee invests in the Highbridge Specialty Loan Fund III LP for the GPS SLC Section. The objective of the fund is to provide a positive absolute return against a cash based benchmark. The fund will invest principally in floating rate fixed-income instruments and the investment manager expects returns to be generated from ongoing interest income as well as original issue discount, closing payments, commitment fees, prepayments and related penalties. While the fund is actively managed, the manager is expected to pursue a buy and hold strategy.

Insight

The Trustee invests assets with Insight for the GPS Nexia, GPS WEC/UAM, GPS DRS, GPS SLC and GPS EnergySolutions sections. Bond assets are invested in Insight's UK Corporate All Maturities Bond Fund and index-linked gilts are held through the Insight UK Index-Linked Bond Fund.

Insight manage according to a fixed income scheme specific benchmark set by the Trustee which allows the Plan to have its own tailored investment strategy within the Insight pooled fund service. The objective is to outperform the benchmark by 0.9% per annum, net of fees, over rolling three year periods.

Legal & General

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 who are regularly reviewed by external auditors.

Legal & General's investment objective is to maintain the Plan's distribution close to the benchmark and within specified ranges. 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.

On 23 February 2015 the Trustee invested in a range of Legal & General levered index-linked bond funds for the Sellafield Section through a pooled Liability Driven Investment platform. The LLWR, RSRL, DSRL and Magnox sections also invested in these funds on 25 March 2015. The underlying funds are invested wholly or predominantly in gilt repos, reverse gilt repos, gilts, gilt total return swaps, interest rate swaps and shares in the Legal & General Sterling Liquidity Fund. The principal instrument used to gain leveraged exposure will

COMBINED NUCLEAR PENSION PLAN

INVESTMENT REPORT

generally be gilt repos. All derivative exposure will be collateralised daily to help reduce counterparty risk.

MFS

The Trustee invests assets with MFS for the GPS Nexia, GPS WEC/UAM, GPS DRS, GPS SLC and GPS EnergySolutions sections. The Trustee invests in the Global Equity Fund. This is a fund that invests across global equities, including emerging markets. MFS maintains a disciplined investment approach, based on the belief that stocks which provide sustainable, above-average earnings growth and trade at a discount to their expected growth rates should outperform the market. The objective is to seek capital appreciation and is benchmarked against the MSCI World Index.

Partners Group

Over the Plan year the Trustee invested assets with Partners Group. Partners Group is a global private markets investment manager with investment programs in private equity, private debt, private real estate and private infrastructure.

In December 2014 the Trustee invested in Partners Group Multi Asset Credit 2014 Fund (I) for the Sellafield Section. The fund is a pooled investment programme offering investors access to private real assets and corporate debt. The fund will target senior secured and subordinated debt, with select investments in high yield bonds and distressed situations.

In February 2015 the Trustee committed EUR102m to Partners Group Global Value 2014 Fund for the Sellafield Section. The fund's objective is to obtain superior returns and achieve capital growth over the medium and long-term by investing in private equity. It provides investors with a broad diversification across geographies, financing stages and instruments.

Standard Life

The Trustee invests in the Standard Life Long Lease Property Fund for the Sellafield Section. The objective of the fund is to provide long-term growth from a combination of income and capital appreciation by investing typically in properties with long leases from across the UK retail, office, industrial and other sectors. The Long Lease Property Fund is actively managed and the investment manager looks to hold properties that have a high lease to value ratio, with inflation-linked rental uplifts where possible.

Columbia Threadneedle

The Trustee invests in the Threadneedle Property Unit Trust for the GPS WEC/UAM, GPS DRS and GPS SLC sections. The mandate aims to provide investors with an indirect investment exposure to a diversified, multi-sector portfolio of commercial assets throughout the UK. The objective is to outperform the benchmark on an annual basis and be within the top quartile on a rolling three-year basis.

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INVESTMENT REPORT

Review of investment performance

The performance of the investment assets are as detailed below:

Manager	1 year %	3 years %	5 years %
Babson			
Global Loan Fund	3.3	7.0	n/a
Benchmark	4.6	5.6	n/a
High Yield Credit Strategies	2.3	n/a	n/a
Benchmark	5.4	n/a	n/a
MFS			
Global Equities	19.4	16.7	12.5
Benchmark	19.1	15.0	10.5
BlackRock			
Dynamic Diversified Growth Fund	5.1	5.8	5.2
Benchmark	3.6	3.6	3.7
Insight			
Bond Portfolio	17.0	9.3	9.9
Benchmark	17.0	8.9	9.5
Legal & General			
Global Equity 50:50 Index GBP Hedged	12.3	14.2	n/a
Benchmark	12.2	14.1	n/a
Global Equity Weight 50:50 Index	12.1	12.8	n/a
Benchmark	12.1	12.7	n/a
UK Equity Index	6.7	10.8	n/a
Benchmark	6.6	10.6	n/a
FTSE RAFI AW 3000 Equity Index	14.7	n/a	n/a
Benchmark	14.6	n/a	n/a
Global Emerging Markets Index	13.9	3.7	n/a
Benchmark	13.9	3.7	n/a
World (ex UK) Equity Index GBP Hgd	14.5	15.4	n/a
Benchmark	14.5	15.3	n/a
Investment Grade Corporate Bond All Stks Fund	13.1	8.8	n/a
Benchmark	13.1	8.7	n/a
Over 15 yr Index-linked gilts	28.2	11.6	n/a
Benchmark	28.1	11.5	n/a
Managed Property	16.6	10.3	n/a
Benchmark	16.6	8.1	n/a
Cash	0.4	0.5	n/a
Benchmark	0.4	0.4	n/a
Sterling Liquidity Fund	0.4	0.5	n/a
Benchmark	0.4	0.4	n/a

COMBINED NUCLEAR PENSION PLAN

INVESTMENT REPORT

Review of investment performance (continued)

Partners Group

Multi Asset Credit Fund	n/a	n/a	n/a
Benchmark	n/a	n/a	n/a

Highbridge

Specialty Loan Fund III	7.7	n/a	n/a
Benchmark	4.4	n/a	n/a

Standard Life

Long Lease Property	9.3	n/a	n/a
Benchmark	17.5	n/a	n/a

Columbia Threadneedle

Property Unit Trust	17.0	9.9	7.9
Benchmark	16.6	9.4	10.3

Asset Allocation

	Managed Funds	Unit Trusts	Unit Trusts - Property	AVC/SPPP	Cash	Other*	Total
Defined Benefit Structure							
Closed	-	84,623,564	-	57,777	-	-	84,681,341
DSRL	5,739,247	44,948,615	7,565,989	3,126,663	-	-	61,380,514
GPS DRS	29,925,470	22,635,516	4,159,113	682,387	380,539	-	57,783,025
GPS	23,354,087	3,398,486	-	238,368	11,958	-	27,002,899
EnergySolutions							
GPS Nexia	3,178,437	666,120	-	-	702	-	3,845,259
GPS SLC	293,257,010	189,893,021	46,391,988	7,487,752	2,331,817	-	539,361,588
GPS WEC/UAM	31,549,580	6,064,661	2,410,458	393,361	7,665	-	40,425,725
LLWR	1,176,484	9,413,777	1,544,461	49,078	-	-	12,183,800
Magnox	4,220,820	37,999,060	5,766,965	-	3,406,040	-	51,392,885
Nirex	-	29,982,249	-	313,370	-	556,000	30,851,619
RSRL	2,495,776	21,257,619	3,337,619	610,701	-	-	27,701,715
Sellafield	151,913,587	547,453,565	69,044,837	50,099,693	-	-	818,511,682
SFL2	2,492,320	69,989,714	7,865,645	9,441,054	-	-	89,788,733
Defined Contribution Structure							
Closed	12,687	-	-	-	-	-	12,687
DSRL	2,174,829	-	-	-	-	-	2,174,829
GPS DRS	2,879,305	-	-	-	-	-	2,879,305
GPS SLC	529,665	-	-	-	-	-	529,665
GPS WEC/UAM	1,738,024	-	-	-	-	-	1,738,024
LLWR	3,071,890	-	-	-	-	-	3,071,890
Magnox	18,450,162	-	-	-	-	-	18,450,162
RSRL	2,491,939	-	-	-	-	-	2,491,939
Sellafield	41,403,601	-	-	-	-	-	41,403,601
SFL2	7,483,415	-	-	-	-	-	7,483,415

* The amounts included in this column consist of dividends and withholding tax, cash in transit and unsettled transactions.

COMBINED NUCLEAR PENSION PLAN

STATEMENT OF TRUSTEE'S RESPONSIBILITIES

The audited accounts which are to be prepared in accordance with United Kingdom 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 accounts 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.

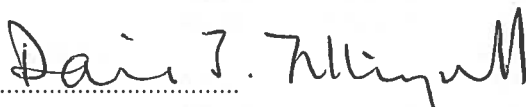
The Trustee has supervised the preparation of the accounts and has agreed suitable accounting policies, to be applied consistently, making estimates and judgements on a reasonable and prudent basis. They are also responsible for making available each year, commonly in the form of a Trustee's annual report, information about the Plan prescribed by pensions legislation, which they should ensure is consistent with the accounts it accompanies.

The Trustee also has certain responsibilities in respect of contributions which are set out in the statement of trustees' responsibilities accompanying the trustees' 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 an appropriate system of internal controls.

Signed for and on behalf of the Trustee:

Trustee Director



Date:

8th October 2015

COMBINED NUCLEAR PENSION PLAN

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE

We have audited the accounts of the Combined Nuclear Pension Plan for the year ended 31 March 2015 set out on pages 22 to 33. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the Plan's 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's Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Plan's Trustee for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Trustee and Auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 20, the Plan's Trustee is responsible for the preparation of accounts which show a true and fair view. Our responsibility is to audit, and express an opinion on, the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). These standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

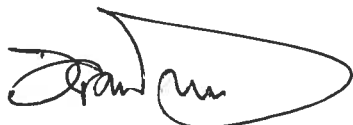
Scope of the audit of the accounts

A description of the scope of an audit of accounts is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on accounts

In our opinion the accounts:

- show a true and fair view of the financial transactions of the Plan during the Plan year ended 31 March 2015 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;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- contain the information specified in Regulation 3 of, and the Schedule to, the Occupational Pension Schemes (Requirement to obtain Audited financial statements and a Statement from the Auditor) Regulations 1996, made under the Pensions Act 1995.



Stephen Dunn
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester M2 3AE

Date: 26-10-2015

COMBINED NUCLEAR PENSION PLAN

FUND ACCOUNT FOR THE YEAR ENDED 31 MARCH 2015

	Note	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Contributions and Benefits					
Contributions	3	142,644	23,228	165,872	161,231
Transfers in	4	2,743	-	2,743	1,242
Other income	5	73	132	205	351
		<u>145,460</u>	<u>23,360</u>	<u>168,820</u>	<u>162,824</u>
Benefits	6	(23,804)	(177)	(23,981)	(20,517)
Leavers	7	(4,319)	(634)	(4,953)	(4,059)
Administrative expenses	8	(6)	(1)	(7)	(7)
		<u>(28,129)</u>	<u>(812)</u>	<u>(28,941)</u>	<u>(24,583)</u>
Net additions from dealings with members		<u>117,331</u>	<u>22,548</u>	<u>139,879</u>	<u>138,241</u>
Returns on investments					
Investment income	9	10,914	-	10,914	7,883
Change in market value of investments	10	214,074	7,720	221,794	75,243
Investment management expenses	11	(1,212)	(64)	(1,276)	(1,042)
		<u>223,776</u>	<u>7,656</u>	<u>231,432</u>	<u>82,084</u>
Net returns on investments		<u>223,776</u>	<u>7,656</u>	<u>231,432</u>	<u>82,084</u>
Net increase in the fund during the year		<u>341,107</u>	<u>30,204</u>	<u>371,311</u>	<u>220,325</u>
Net assets of the Plan					
At 1 April		1,507,225	50,561	1,557,786	1,337,461
Transfers between sections		231	(231)	-	-
		<u>1,507,456</u>	<u>50,330</u>	<u>1,557,786</u>	<u>1,337,461</u>
Net assets of the Plan		<u>1,507,456</u>	<u>50,330</u>	<u>1,557,786</u>	<u>1,337,461</u>
At 31 March		<u>1,848,563</u>	<u>80,534</u>	<u>1,929,097</u>	<u>1,557,786</u>

The notes on pages 24 to 33 form an integral part of these accounts.

COMBINED NUCLEAR PENSION PLAN

NET ASSETS STATEMENT AS AT 31 MARCH 2015

	Note	2015 £000	2014 £000
Defined Benefit Structure			
Investment assets	10	1,844,911	1,497,118
Current assets	12	4,507	11,069
Current liabilities	12	(855)	(962)
Net Assets at 31 March		1,848,563	1,507,225
	Note	2015 £000	2014 £000
Defined Contribution Structure			
Investment assets	10	80,236	50,157
Current assets	12	300	408
Current liabilities	12	(2)	(4)
Net Assets at 31 March		80,534	50,561
TOTAL NET ASSETS AT 31 MARCH		1,929,097	1,557,786

The accounts 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 in the annual report and these accounts should be read in conjunction with the Summary Funding Statements and actuarial certificates.

The notes on pages 24 to 33 form an integral part of these accounts.

Signed for and on behalf of Combined Nuclear Pension Plan Trustees Limited on 8th October 2015

Trustee Director: Diana J. Zilligall

Trustee Director: A.R. Andrews

COMBINED NUCLEAR PENSION PLAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

1. BASIS OF PREPARATION

The accounts 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" (SORP) (revised May 2007).

2. ACCOUNTING POLICIES

The following principal accounting policies have been adopted in the preparation of the accounts.

2.1 Accruals concept

The accounts have been prepared on an accruals basis with the exception of individual transfers which are recognised when received or paid.

2.2 Contributions and benefits

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, or where there is no Schedule of Contributions, in accordance with the Plan rules and the recommendations of the actuary.

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

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

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 or leaving.

Lump sum payments on death are accounted for on an accruals basis.

2.3 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.

COMBINED NUCLEAR PENSION PLAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

2. ACCOUNTING POLICIES (continued)

2.4 Foreign Currencies

Assets and liabilities in foreign currencies are expressed in sterling at the relevant rates of exchange ruling at the year end.

Transactions denominated in foreign currencies are translated into sterling at the spot exchange rate prevailing at the date of the transaction.

Gains and losses arising on conversion or translation are shown within the change in market value of investments.

2.5 Administrative and investment manager expenses

Administration and investment manager expenses have been met separately by the employers, with the exception of the direct administration cost for defined contribution administration, which are charged to the structure to which they relate and met by the members from disinvested units.

2.6 Valuation of investments

The value of pooled investment vehicles is taken as the bid price as quoted by the investment managers at the period end, or single price where there is no bid price as provided by the investment manager.

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 period end.

The changes in investment market values are accounted for in the period 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.

COMBINED NUCLEAR PENSION PLAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

3. CONTRIBUTIONS

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Employers' Contributions				
Normal	103,901	16,567	120,468	115,364
Augmentations	588	-	588	1,971
Shift pay contributions	4,287	-	4,287	4,389
Deficit funding	2,996	-	2,996	7,292
Additional	1,872	-	1,872	-
Members' Contributions				
Normal	22,306	6,661	28,967	26,504
Additional voluntary contributions	4,312	-	4,312	3,478
Shift pay contributions	2,382	-	2,382	2,208
Other	-	-	-	25
	<u>142,644</u>	<u>23,228</u>	<u>165,872</u>	<u>161,231</u>

Deficit contributions includes £750,000 from Springfields Fuels Limited in relation to additional employer contributions in accordance with the Schedule of Contributions.

Deficit contributions of £556,000 per annum, are payable for the Nirex Section by the NDA from 1 April 2015 for 10 years under the Recovery Plan of 30 January 2014. Deficit contributions above includes a payment in advance of the first years instalment.

Deficit contributions of £1,690,000 were paid by Research Sites Restoration Limited (RSRL), in full settlement of the deficit contributions due under the Recovery Plan of 30 January 2014, during the year.

Additional contributions of £1,900,000 were received from EnergySolutions EU Limited in accordance with the deed of undertaking dated 28 March 2014.

Augmentation payments are principally 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 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. TRANSFERS IN

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Transfers in - Individual	<u>2,743</u>	<u>-</u>	<u>2,743</u>	<u>1,242</u>

COMBINED NUCLEAR PENSION PLAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

5. OTHER INCOME

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Claims on term insurance policies	68	132	200	350
Other income	5	-	5	1
	<u>73</u>	<u>132</u>	<u>205</u>	<u>351</u>

6. BENEFITS

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Pensions	11,976	-	11,976	10,155
Commutations	8,856	21	8,877	7,397
Lump sum death benefits	1,455	140	1,595	1,579
Purchase of annuities	1,517	16	1,533	1,386
	<u>23,804</u>	<u>177</u>	<u>23,981</u>	<u>20,517</u>

7. PAYMENTS TO AND ON ACCOUNT OF LEAVERS

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Payment for members joining state scheme	-	-	-	3
Transfers out - group	-	-	-	2,061
Transfers out - individual	4,303	593	4,896	1,960
Refunds to members leaving service	16	41	57	35
	<u>4,319</u>	<u>634</u>	<u>4,953</u>	<u>4,059</u>

The group transfer figure in the prior year relates to 37 employees at Capenhurst who elected to transfer their past benefits from the Sellafield Section to the Urenco Pension Scheme. The transfers have been made in cash.

COMBINED NUCLEAR PENSION PLAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

8. ADMINISTRATIVE EXPENSES

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Bank charges	6	1	7	7

Except as noted above, administrative expenses of the Plan are borne by the sponsoring employers.

9. INVESTMENT INCOME

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Income from pooled investment vehicles	10,899	-	10,899	7,865
Interest on cash deposits	15	-	15	18
	<u>10,914</u>	<u>-</u>	<u>10,914</u>	<u>7,883</u>

The income on pooled investment vehicles is not always distributed. Where this is the case, it is included in the change in market value of investments.

COMBINED NUCLEAR PENSION PLAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

10. INVESTMENTS

MOVEMENTS IN INVESTMENTS

Defined Benefit Structure

	Value at 01/04/2014	Purchases at cost	Sales proceeds	Change in market value	Value at 31/03/2015
	£000	£000	£000	£000	£000
Pooled investment vehicles	1,433,972	859,271	(733,533)	206,006	1,765,716
AVC and SPPP investments	61,700	12,826	(6,688)	8,068	75,906
Sub total	1,495,672	872,097	(740,221)	214,074	1,841,622
Cash deposits	141				2,733
Dividends and withholding tax	1,471				2,085
Cash in transit	1,545				556
Unsettled transactions	(1,711)				(2,085)
	1,497,118				1,844,911

Defined Contribution Structure

	Value at 01/04/2014	Purchases at cost	Sales proceeds	Change in market value	Value at 31/03/2015
	£000	£000	£000	£000	£000
Pooled investment vehicles	50,157	24,252	(1,893)	7,720	80,236

The change in market value of 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.

During the year there was an asset transition between Insight and L&G amounting to £96m in the GPS DRS and GPS SLC sections and this is reflected in the purchases and sales figures shown above.

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.

The "with-profits" policies remain with the Prudential Assurance Company Limited.

The companies managing the pooled fund investments are registered in the United Kingdom and Ireland except for Highbridge which is registered in the United States and Partners Group which is based in Luxembourg.

COMBINED NUCLEAR PENSION PLAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

10. INVESTMENTS (continued)

POOLED INVESTMENT VEHICLES

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Managed funds - property	32,550	-	32,550	10,653
Managed funds - other	516,753	80,236	596,989	597,551
Unit Trusts - property	148,087	-	148,087	121,532
Unit Trusts - other	1,068,326	-	1,068,326	754,393
	<u>1,765,716</u>	<u>80,236</u>	<u>1,845,952</u>	<u>1,484,129</u>

OTHER INVESTMENTS

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Unsettled purchases	(2,085)	-	(2,085)	(1,711)
	<u>(2,085)</u>	<u>-</u>	<u>(2,085)</u>	<u>(1,711)</u>

CASH DEPOSITS

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Sterling cash deposits	2,733	-	2,733	141
	<u>2,733</u>	<u>-</u>	<u>2,733</u>	<u>141</u>

COMBINED NUCLEAR PENSION PLAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

10. INVESTMENTS (continued)

AVC AND SPPP INVESTMENTS

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 AVCs or who are in the SPPP.

The total amount of AVC and SPPP investments at the year end is shown below.

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Prudential AVC	10,565	-	10,565	9,696
Prudential SPPP	64	-	64	80
BlackRock AVC	10,407	-	10,407	8,296
BlackRock SPPP	54,870	-	54,870	43,628
	<u>75,906</u>	<u>-</u>	<u>75,906</u>	<u>61,700</u>

CONCENTRATION OF INVESTMENTS

The following investments, excluding UK Government securities, account for more than 5% of the Plan's net assets as at 31 March 2015.

	2015 Market value £000	%	2014 Market value £000	%
L&G Global Equity Fixed Weight 50:50	260,522	13.50 %	-	- %
L&G Global Equity 50:50 Index Fund	163,058	8.45 %	187,075	12.01 %
MFS Global Equity Fund	144,139	7.47 %	120,034	7.71 %
L&G FTSE 3000 Equity Index	129,436	6.71 %	-	- %
Insight UK Corporate All Maturities Bond Fund	113,997	5.91 %	99,282	6.37 %
L&G GI Eq Fixed Weight 50:50 GBP Hgd	-	- %	166,310	10.68 %
L&G Over 15 Year Index-Linked Gilt Fund	-	- %	135,783	8.72 %
L&G Investment Grade Corporate Bond All Stocks Fund	111,846	5.80 %	131,579	8.45 %
Baring Dynamic Asset Allocation Fund	-	- %	105,148	6.75 %
BlackRock Dynamic Diversified Growth Fund	-	- %	87,360	5.61 %
Insight UK Index-Linked Bond Fund	-	- %	84,763	5.44 %
L&G All Stocks Index-Linked Gilts	98,654	5.11 %	-	- %

COMBINED NUCLEAR PENSION PLAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

11. INVESTMENT MANAGEMENT EXPENSES

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Administration, management & custody	1,486	-	1,486	1,119
Annual management charge	123	64	187	345
Investment fee rebate	(397)	-	(397)	(422)
	<u>1,212</u>	<u>64</u>	<u>1,276</u>	<u>1,042</u>

12. CURRENT ASSETS AND LIABILITIES

	Defined Benefit Structure 2015 £000	Defined Contribution Structure 2015 £000	2015 £000	2014 £000
Current assets				
Employer contributions due	672	2	674	947
Employee contributions due	172	1	173	229
Sundry debtors	-	-	-	11
Cash balances	3,663	297	3,960	10,290
	<u>4,507</u>	<u>300</u>	<u>4,807</u>	<u>11,477</u>
Current liabilities				
Unpaid benefits	262	-	262	407
Accrued expenses	415	-	415	295
Sundry creditors	-	-	-	100
HM Revenue & Customs	178	2	180	164
	<u>855</u>	<u>2</u>	<u>857</u>	<u>966</u>
	<u>3,652</u>	<u>298</u>	<u>3,950</u>	<u>10,511</u>

All contributions due to the Plan at the year end were paid in full to the Plan within the timescale required by the Schedule of Contributions.

Included within the Defined Contribution Structure cash balance is £2,525 not allocated to members (2014: £1,852). The balance is made up of cash retained to cover tax and bank charges.

COMBINED NUCLEAR PENSION PLAN

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2015

13. RELATED PARTY TRANSACTIONS

The Plan has received contributions in respect of four Trustee Directors (Mr I Driver, Mr J Ford, Mr D Gregory and Mrs JM Corbett) who were contributing members of the Plan during the year.

There were no other related party transactions during the year.

14. EMPLOYER RELATED INVESTMENTS

There were no employer related investments at any time during the year.

15. CAPITAL COMMITMENTS

GPS SLC Section has a Capital Commitment with Highbridge to the value of \$30m. During 2014/15 \$6.5m has been invested (previous year \$18.7m), the commitment remaining is \$4.8m. SFL2 Section has a Capital Commitment with Partners Group to the value of £50m. During 2014/15 £37.5m has been invested, the commitment remaining is £12.5m.

COMBINED NUCLEAR PENSION PLAN

STATEMENT ABOUT CONTRIBUTIONS FOR THE YEAR ENDED 31 MARCH 2015

Independent Auditor's statement about contributions to the Trustee of the Combined Nuclear Pension Plan

We have examined the summary of contributions payable under the Schedule of Contributions to the Combined Nuclear Pension Plan in respect of the Plan year ended 31 March 2015 which is set out on pages 35 and 36.

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 auditor's 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 Auditor

As explained more fully in the Statement of Trustee's Responsibilities set out on page 35, the Plan's Trustee is responsible for ensuring that there is prepared, maintained and from time to time revised a Schedule of Contributions showing the rates and due dates of certain contributions payable towards the Plan by or on behalf of the employer and the active members of the Plan. The Trustee is also responsible for keeping records in respect of contributions received in respect of active members of the Plan and for monitoring whether contributions are made to the Plan by the employer in accordance with the Schedules of Contributions.

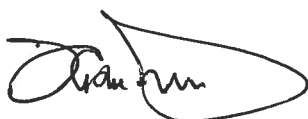
It is our responsibility to provide a statement about contributions paid under the Schedules of Contributions to the Plan and to report our opinion to you.

Scope of work on Statement about Contributions

Our examination involves obtaining evidence sufficient 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 Schedules of Contributions. This includes an examination, on a test basis, of evidence relevant to the amounts of contributions payable to the Plan and the timing of those payments under the Schedules of Contributions.

Statement about contributions payable under the Schedule of Contributions

In our opinion contributions for the Plan year ended 31 March 2015 as reported in the Summary of Contributions and payable under the Schedules of Contributions have in all material aspects been paid at least in accordance with the Schedules of Contributions certified by the actuary.



Stephen Dunn
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester M2 3AE

Date: 26 - 10 - 2015

COMBINED NUCLEAR PENSION PLAN

SUMMARY OF CONTRIBUTIONS FOR THE YEAR ENDED 31 MARCH 2015

Statement of Trustees' Responsibilities in respect of Contributions

The Plan's Trustee is responsible under pensions legislation for ensuring that there is prepared, maintained and from time to time revised a Schedule 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 Plan 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.

Trustees' Summary of Contributions payable under the schedule in respect of the Plan year ended 31 March 2015

This Summary of Contributions has been prepared by, or on behalf of, and is the responsibility of the Trustee.

For those sections where contributions were payable under Schedules of Contributions, the Summary of Contributions sets out the employer and member contributions payable to the Plan in respect of the Plan year ended 31 March 2015. The Plan auditor reports on these in the Auditors' Statement about Contributions.

Contributions payable under the Schedules in respect of the Plan year

	Defined benefit structure £000	Defined contribution structure £000
Employers' Contributions		
Normal	103,901	16,567
Deficit	2,996	-
Shift pay contributions	4,287	-
Augmentations	588	-
Members' Contributions		
Normal	22,306	6,661
Shift pay contributions	2,382	-
Additional voluntary contributions	4,312	-
Total contributions payable under the Schedules (as reported on by the Plan Auditor)	140,772	23,228

Reconciliation of contributions payable under the Schedules of Contributions to total contributions as reported in the accounts

Contributions payable under the Schedules	140,772	23,228
Employers' additional contributions	1,872	-
Total contributions as reported in the accounts	142,644	23,228

Signed on behalf of the Trustee:

Trustee Director *David J. Allin*

Date: 8th October 2015

COMBINED NUCLEAR PENSION PLAN

ACTUARIAL STATEMENTS

The actuary's following certification of technical provisions has been provided for the Sections of the Combined Nuclear Pension Plan listed below:

Closed
DSRL
GPS DRS
GPS EnergySolutions
GPS Nexia
GPS SLC
GPS WEC/UAM
LLWR
Magnox
Nirex
RSRL
Sellafield
SFL2

ACTUARY'S CERTIFICATION OF TECHNICAL PROVISIONS

Actuarial Certificate made for the purposes of Regulation 7(4)(a) of the Occupational Pension Schemes (Scheme Funding) Regulations 2005

Calculation of Technical Provisions

I certify that, in my opinion, the calculation of the Section's Technical Provisions as at 31 March 2013 is made in accordance with regulations under section 222 of the Pensions Act 2004. The calculation uses a method and assumptions determined by the Trustee of the Plan and set out in the applicable Statement of Funding Principles, dated between 30 January 2014 and 13 May 2014, for the Sections of the Combined Nuclear Pension Plan.

Signature	MARK McCLINTOCK	Date	31 March 2014
Name	M. McClintock	Qualification	Fellow of the Institute and Faculty of Actuaries
Address	19 Bedford St Belfast BT2 7EJ	Name of Employer	Deloitte Total Reward and Benefits Limited

COMBINED NUCLEAR PENSION PLAN

ACTUARIAL STATEMENTS

The Actuary's following certification of Schedule of Contributions has been provided for the Sections of the Combined Nuclear Pension Plan listed below:

Closed
DSRL
GPS DRS
GPS EnergySolutions
GPS Nexia
GPS SLC
GPS WEC/UAM
LLWR
Magnox
Nirex
RSRL
Sellafield
SFL2

ACTUARY'S CERTIFICATION OF SCHEDULE OF CONTRIBUTIONS

Adequacy of rates of contributions

1. I certify that, in my opinion, the rates of contributions shown in this schedule of contribution for the Sellafield and GPS DRS Sections are such that the statutory funding objective could have been expected to be met on 31 March 2013 and to continue to be met for the period for which the schedule is to be in force. The rates of contributions shown in this schedule of contribution for all other Sections are such that the statutory funding objective could have been expected to be met by the end of the period specified in the applicable Recovery Plans, dated between 30 January 2014 and 10 April 2014.

Adherence to statement of funding principles

2. I hereby certify that, in my opinion, this schedule of contributions is consistent with the applicable Statement of Funding Principles, dated between 30 January 2014 and 13 May 2014, for the Sections of the Combined Nuclear Pension Plan.

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 above Sections' liabilities by the purchase of annuities, if the above Sections were to be wound up.

Signature:	MARK McCLINTOCK	Date:	31 March 2014
Name:	M. McClintock	Qualification:	Fellow of the Institute and Faculty of Actuaries
Address	19 Bedford St Belfast BT2 7EJ	Name of Employer	Deloitte Total Reward and Benefits Limited

COMBINED NUCLEAR PENSION PLAN

COMPLIANCE STATEMENT FOR THE YEAR ENDED 31 MARCH 2015

HM Revenue & Customs registration

The Plan is a registered pension scheme in accordance with the Finance Act 2004. This means that the contributions paid by both the Company and the members qualify for full tax relief, and enables income earned from investments by the Trustee to receive preferential tax treatment.

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, The Pensions Advisory Service (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: pensionsadvisoryservice.org.uk and they can be contacted by telephone on 0845 601 2923 or by email to: 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 of Plan administrators, or dispute of fact or law. The Pensions Ombudsman can be contacted at: 11 Belgrave Road, London SW1V 1RB.

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 0845 600 0707.

Funding Statements

As part of the Plan newsletter, all members of the Defined Benefit Structure receive an annual funding statement about the funding of the Plan. Copies of the annual funding statements are available from the Plan Administrator.