

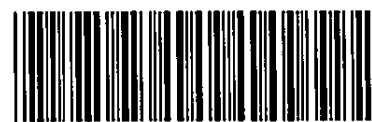
# **URANIUM ASSET MANAGEMENT LIMITED**

Registered No. 3162046

## **ANNUAL REPORT AND ACCOUNTS**

31 March 2008

FRIDAY



\*A3C6Y6YX\*

A73

30/01/2009

548

COMPANIES HOUSE

# URANIUM ASSET MANAGEMENT LIMITED

## GENERAL INFORMATION

### DIRECTORS

Mike RA Smith  
Jamie Bohnke  
Iain G Clarkson (resigned 31 December 2007)  
Aris Candris  
Linda Aylmore

### COMPANY SECRETARY

Fiona Houghton

### AUDITORS

Ernst & Young LLP  
20 Chapel Street  
Liverpool  
L3 9AG

### BANKERS

JP Morgan Chase Bank N.A  
125 London Wall  
London  
EC2Y 5AJ

### REGISTERED OFFICE

Springfields  
Salwick  
Preston  
PR4 0XJ

# URANIUM ASSET MANAGEMENT LIMITED

## DIRECTORS' REPORT

The Directors present their report and accounts for the financial year ended 31 March 2008.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £34.4m (2007: profit of £17.4m).  
The Directors proposed a final dividend as a post balance sheet event of £60m .

### OWNERSHIP

The parent company is Toshiba Nuclear Energy Holdings UK Limited (TNEH), effective 16<sup>th</sup> October 2007. Toshiba Nuclear energy Holdings Ltd (TNEH) acquired the shareholdings of Westinghouse Electric UK Limited, the immediate holding company of Uranium Asset Management Limited, from the effective date.

### PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company's principal activities during the year continued to be:

- a) The procurement, management and supply of uranic materials to Springfields Fuels Limited on behalf of British Energy.
- b) The management of uranium inventory and the provision of expert advice to Westinghouse and Toshiba related companies.
- c) The supply of Radioactive Material Transport services and expert advice to external companies and to Westinghouse related parties.

The company's largest customer continues to be Springfields Fuels Limited. The company continues to perform well against this supply contract, strengthening the partnership arrangement and improving customer satisfaction. Other expanding international transport business activities include customers in Russia, Europe the USA and the UK.

### BUSINESS REVIEW

The company's main objective is safety and it continues to strive for zero accidents through effective safety measures and near miss reporting targets.

Turnover of £196m (2007: £115m) and operating profit £49m (2007: £17m) have increased from the previous year due to the additional sales of 'surplus' Uranium, (surplus material that is not required for Westinghouse internal working stock commitments). The business continued to improve liquidity and generated more than £50m of cash from operations in the year as a direct result of uranium sales, the timing of procurement activities and inventory management.

The company continued to work successfully during the year with other Westinghouse locations on various uranium utilisation projects which have achieved positive results.

Internally, Westinghouse has restructured and the company now reports into the Nuclear Fuel Business segment for Uranium matters and Global Supply Chain Management Group for Logistics matters driving efficiencies through cost improvements and Global best practice.

## URANIUM ASSET MANAGEMENT LIMITED

### DIRECTORS' REPORT (continued)

#### RISKS & UNCERTAINTIES

The market valuation of uranic stocks is significantly higher than the historic cost as reflected in the company's balance sheet. Whilst there is always a material risk the market prices of uranium could fall, the Directors opinion is that this does not currently present any risk to the company under current market conditions.

- UAM is managing the risk of the fragile supply chain for the international transport of radioactive materials and is actively monitoring and developing measures to maintain and increase available routes and providers.
- Published predictions ( The UxC Uranium Outlook April 07) indicates that market prices will drop during 2008 and expected to stabilise in 2009/2010.

#### FOREIGN CURRENCY RISK

The company's policy is to hedge against specific foreign currency requirements.

#### KEY PERFORMANCE INDICATORS

The company uses many performance indicators, both financial and non financial to monitor progress. The main financial measures are published in the accounts, Operating profit, Cashflow and Profit before Tax. Other measures are presented below:

	Target	2006/7 Outturn	2007/8 Outturn
Return on Sales ROS %	10%	15%	17%
Headcount (Employees)	33	33	32
Safety ( Incidents)	0	0	0
Number of near miss reports	40	Not measured	50

#### TREASURY

The ultimate parent company's board is responsible for the financial strategy of the company . Treasury policies set by the company's parent Westinghouse determine the Treasury strategy. The strategy aims to assess the timing of funding requirements of the company and to ensure adequate facilities are available to meet these requirements.

#### INSURANCE

The company's insurance requirements were renewed in the financial year and continue to be managed through its parent company.

# URANIUM ASSET MANAGEMENT LIMITED

## DIRECTORS' REPORT (continued)

### DIRECTORS

*The Directors who served during the year are as follows:-*

Mike Smith  
Iain Clarkson  
Jamie Bohnke  
Aris Candris  
Linda Aylmore (appointed 1 January 2008)

*The Directors who resigned during the year are as follows:*

Iain Clarkson (resigned 31<sup>st</sup> December 2007)

The company maintains directors and officers liability insurance covering the defence costs of civil legal proceedings and the damages from the unsuccessful defence of such proceedings except in each case to the extent that a director or officer acted fraudulently or dishonestly.

### AUDITORS

In accordance with section 234ZA of the Companies Act 1985, each of the above directors (excluding those who have resigned during the financial year)

- Is not aware of any relevant audit information of which the company's auditors are unaware, and
- Has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### EMPLOYEE INVOLVEMENT

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year, the policy of providing employees with information about the group has been continued through the newsletter and Talking Business Group News in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

### POLICY ON PAYMENT OF CREDITORS

The Company is committed to the Prompt Payers Code of Practice drawn up by the Conference of British Industry (CBI) with rigorous monitoring of payment performance. Copies of the Code are available from CBI, Centre Point, 103 New Oxford Street, London, WC1A 1DU. The company has two main payment terms, net monthly and 35 days. Suppliers are made aware of the terms of payment and the terms are settled when agreeing the details of each transaction. At 31 March 2008 the Company's creditors represented 3 days of trading (2007: 3 days).

### POLITICAL & CHARITABLE DONATIONS

The company has made no political or charitable donations.

URANIUM ASSET MANAGEMENT LIMITED

**DIRECTORS' REPORT (continued)**

**ELECTIVE RESOLUTIONS**

The Company has elected to dispense with the holding of Annual General Meetings pursuant to Section 366A of the Companies Act 1985.

The Company has elected to dispense with the appointment of Auditors pursuant to Section 386 of the Companies Act 1985.

The Company has elected to dispense with the laying of accounts and reports in general meeting pursuant to Section 252 of the Companies Act 1985.

By order of the Board

A handwritten signature in black ink, appearing to read 'Linda Aylmore', written in a cursive style.

Linda Aylmore  
Director

Date: 29/1/09

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

The Directors are responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and UK Generally Accepted Accounting Practice.

Company law requires the Directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing those accounts, the Directors are required to:

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

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

## **INDEPENDENT AUDITORS' REPORT**

### **To the members of Uranium Asset Management Limited**

We have audited the company's financial statements for the year ended 31 March 2008 that comprises the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet, Statement of Cashflows and the related notes 1 to 25. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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

#### **Basis of audit opinion**

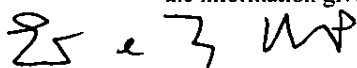
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.



Ernst & Young LLP

Registered Auditor

Liverpool

Date: 30/1/09



# URANIUM ASSET MANAGEMENT LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2008

	<i>Notes</i>	2008 £000	2007 £000
<b>TURNOVER</b>	2	196,293	114,571
Net operating costs and expenses	3	(147,637)	(98,067)
<b>OPERATING PROFIT BEFORE INTEREST AND TAXATION</b>		<b>48,656</b>	<b>16,504</b>
Exceptional Items	6	-	9,111
Interest receivable and similar income	7	14,677	13,024
Interest payable and similar charges	8	(14,131)	(15,202)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>49,202</b>	<b>23,437</b>
Taxation on profit on ordinary activities	9	(14,809)	(6,043)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>34,393</b>	<b>17,394</b>

All operations are continuing.

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

For the year ended 31 March 2008

	2008 £000	2007 £000
Profit for the financial year	34,393	17,394
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>	<b>34,393</b>	<b>17,394</b>
Actuarial Gain recognised on defined benefit pension scheme, net of deferred tax	595	-
<b>TOTAL GAINS AND LOSSES RECOGNISED SINCE LAST ANNUAL REPORT</b>	<b>34,988</b>	<b>17,394</b>

URANIUM ASSET MANAGEMENT LIMITED

**BALANCE SHEET**

At 31 March 2008

	<i>Notes</i>	<b>2008 £000</b>	<b>2007 £000</b>
<b>FIXED ASSETS</b>	10	<b>512</b>	<b>544</b>
<b>CURRENT ASSETS</b>			
Stocks	11	<b>212,816</b>	220,155
Debtors	12	<b>131,173</b>	90,211
Cash at bank and in hand		<b>22,029</b>	13,750
<b>TOTAL CURRENT ASSETS</b>		<b>366,018</b>	324,116
<b>CREDITORS:</b> amounts falling due within one year	13	<b>(22,724)</b>	(15,347)
<b>NET CURRENT ASSETS</b>		<b>343,294</b>	308,769
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>343,806</b>	309,313
<b>CREDITORS:</b> amounts falling due after more than one year	14	<b>(218,182)</b>	(218,182)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	15	<b>(38)</b>	(38)
<b>NET ASSETS excluding defined pension asset</b>		<b>125,586</b>	91,093
<b>Pension Asset</b>	16	<b>495</b>	-
<b>NET ASSETS including defined pension asset</b>		<b>126,081</b>	91,093
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	<b>48,715</b>	48,715
Profit and loss account	18	<b>77,366</b>	42,378
<b>SHAREHOLDERS' FUNDS – EQUITY</b>		<b>126,081</b>	91,093

FOR ON BEHALF OF THE DIRECTORS

Director:



Date:

29/1/09

URANIUM ASSET MANAGEMENT LIMITED

**STATEMENT OF CASHFLOWS**

At 31 March 2008

	<i>Notes</i>	<b>2008</b>	<b>2007</b>
		<b>£000</b>	<b>£000</b>
<b>NET CASHFLOW FROM OPERATING ACTIVITIES</b>	21a	<b>58,573</b>	<b>40,089</b>
<b>RETURNS ON INVESTMENT AND SERVICING OF FINANCE</b>			
Interest Paid		(14,148)	(11,841)
Interest received		13,157	20,362
		<u>(991)</u>	<u>8,521</u>
<b>TAXATION</b>			
Corporation Taxation paid		(6,742)	(3,276)
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>			
Payments to acquire tangible fixed assets		(75)	(420)
<b>MANAGEMENT IN LIQUID RESOURCE</b>			
Inter Group Loan		(42,486)	(82,445)
<b>FINANCING</b>			
Net movement in long term borrowing		-	-
<b>INCREASE/(DECREASE) IN CASH</b>		<u><b>8,279</b></u>	<u><b>(37,531)</b></u>
<b>RECONCILIATION OF NET CASHFLOW TO MOVEMENT IN NET DEBT</b>		<b>2008</b>	<b>2008</b>
		<b>£000</b>	<b>£000</b>
Increase / (decrease) in cash in the period		8,279	(37,531)
Cash outflow resulting from increase in loans		42,486	82,445
<b>Changes in net debt resulting from cashflows</b>		<u><b>50,765</b></u>	<u><b>44,914</b></u>
Translation differences		-	(2,054)
Loan interest capitalised on change of ownership		-	(3,409)
<b>Movement in the period</b>		<u><b>50,765</b></u>	<u><b>39,451</b></u>
<b>Net debt at beginning of the period</b>		<u><b>(124,041)</b></u>	<u><b>(163,492)</b></u>
<b>Net debt at end of period</b>	21b	<u><b>(73,276)</b></u>	<u><b>(124,041)</b></u>

# URANIUM ASSET MANAGEMENT LIMITED

## NOTES TO THE ACCOUNTS

At 31 March 2008

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The financial statements are prepared under the historical cost convention and prepared in accordance with applicable accounting standards.

#### *Tangible Fixed Assets*

Tangible Fixed Assets are stated at cost, net of depreciation and provision for diminution in value. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life as follows:-

Plant & machinery	-	7 % - 10% straight line basis
Fixtures, Fittings, Tools & Equipment	-	20% - 33% straight line basis

#### *Stocks*

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing uranic materials to their present location and condition.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Cost represents the historical purchase price

#### *Deferred taxation*

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions:

- deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date.

#### *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction or at the contracted rate if the transaction is covered by a forward exchange contract. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date or if appropriate at the forward contract rate. Exchange differences are taken to the profit and loss account.

## NOTES TO THE ACCOUNTS (continued)

At 31 March 2008

### *Post-retirement benefits*

During the year the company participated in the UAM/WEC section of the Group Pension Scheme ("GPS"), a defined benefit pension scheme which requires contributions to be made to separately administered fund.

The cost of providing benefits under the GPS is determined using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit and loss account. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest cost is recognised in the income statement as other finance income or expense.

Actuarial gains and losses are recognised in full in the statement of recognised gains and losses in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair-value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

In preparing the financial statements for the year ended 31 March 2007, the GPS was treated as a defined contribution scheme because the company had been unable to identify its share of assets and liabilities as the sectionalisation of the GPS was not completed until March 2008.

Contributions to defined contribution schemes are recognised in the income statement in the period in which they become payable.

### *Leasing and hire purchase commitments*

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

# URANIUM ASSET MANAGEMENT LIMITED

## NOTES TO THE ACCOUNTS (continued)

At 31 March 2008

### 2. TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties. This is attributable to the management of the supply and transport of uranic materials. An analysis of turnover by geographical market is given below:

	2008 £000	2007 £000
United Kingdom	124,860	108,935
Europe – EU	32,332	1,372
Europe – Non EU	370	541
Japan and Far East	0	149
North and South America	38,731	3,574
	<b>196,293</b>	<b>114,571</b>

### 3. NET OPERATING COSTS AND EXPENSES

	2008 £000	2007 £000
Raw materials and consumables	134,610	87,785
Employee costs (see note 4)	1,944	1,810
Auditors' remuneration - audit services	40	33
Foreign exchange losses	573	2061
Other external and operating charges	10,363	6,271
Depreciation	107	107
	<b>147,637</b>	<b>98,067</b>

### 4. EMPLOYEE INFORMATION (including Executive Directors)

The average weekly number of employees during the year was as follows:

	2008 No.	2007 No.
Employees	<b>32</b>	<b>33</b>
- Uranium Business Unit	7	8
- Transport Business Unit	21	20
- Finance & MD	5	5

Employee costs borne by the Company during the year were as follows:

	2008 £000	2007 £000
Wages and salaries	1,456	1,485
Social security costs	140	137
Pension costs	348	188
	<b>1,944</b>	<b>1,810</b>

# URANIUM ASSET MANAGEMENT LIMITED

## NOTES TO THE ACCOUNTS (continued)

At 31 March 2008

### 5. DIRECTORS' EMOLUMENTS

For the majority of the previous financial year, 2 Directors were paid by either the ultimate holding company or by one of its Group Companies. The disclosure of directors emoluments as follows:-

	2008 £000	£000	£000	£000	£000	2007 £000
	Basic Salary	Bonus	Benefits	Pension	Total	Total
Managing Director	85	21	10	12	128	147
Finance Director	17	1	0	2	20	n/a
	102	22	10	14	148	147

The Managing Director and Finance Director were both members of the Group Pension Scheme from 1<sup>st</sup> April 2007 to 31<sup>st</sup> March 2008. The benefits as stated are a company housing loan for the Managing Director.

### 6. EXCEPTIONAL ITEMS

	2008 £000	2007 £000
Exceptional income arising from payment of 2005/6 UAM tax charge by BNFL plc.	-	9,111

The tax charge for 2005/6 was paid by BNFL plc prior to the change in ownership. BNFL confirmed in 2006/7 that no repayments were expected from UAM relating to the tax payments made on the Company's behalf, and therefore the inter-company liability was released in that year.

### 7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £000	2007 £000
Bank interest	2,308	1,599
Interest receivable from Group Undertakings	12,369	11,425
	14,677	13,024

### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2008 £000	2007 £000
Interest payable to Group Undertakings	14,129	6,049
Interest payable		9,153
Net Finance cost in respect of defined benefit pension scheme	2	-
	14,131	15,202

**NOTES TO THE ACCOUNTS (continued)****At 31 March 2008****9. TAXATION****a) Taxation on profit on ordinary activities**

	2008 £000	2007 £000
<i>Current tax:</i>		
UK corporation tax on profits of the period	14,848	6,005
Total current tax	14,848	6,005
<i>Deferred tax:</i>		
Origination and reversal of timing differences	(39)	38
Total tax charge	14,809	6,043

The taxation assessed on the profit on ordinary activities for the year is different from the standard rate of corporation taxation in the UK of 30%. The differences are reconciled below:

**b) Factors affecting the current taxation charge**

	2008 £000	2007 £000
Profit on ordinary activities before taxation	49,202	23,437
Taxation on profit at 30% (2007: 30%)	14,760	7,031
Effects of:		
Expenses not deductible for corporation taxation purposes	92	1,726
Capital Allowances in excess of depreciation	(46)	(10)
Utilisation of brought forward non-trading losses		(9)
BNFL loan re 2005/6 tax charge		(2,733)
Other timing differences	42	-
Current taxation charge for the year	14,848	6,005

**(c) The deferred taxation liability included in the balance sheet is as follows:**

	2008 £000	2007 £000
Included in provisions for liabilities and charges (note 15)	38	38
Included in defined benefit pension asset (note 16)	192	-
	230	38

**(d) The movement in deferred taxation is analysed as follows:**

	£000
At 1 April 2007	38
Amount credited to the profit and loss account	(39)
Amount debited to the statement of total recognised gains and losses	231
At 31 March 2008	230



**NOTES TO THE ACCOUNTS (continued)**

**At 31 March 2008**

**9. TAXATION (continued)**

**(e) Items affecting tax charge for future periods**

As a result of the Finance Act 2007 the rate of corporation tax for large companies in the UK has reduced from 30% to 28% from 1 April 2008.

**10. FIXED ASSETS**

**Plant and  
Machinery  
£'000**

**Cost or Valuation**

At 1 April 2007

696

Additions

75

**At 31 March 2008**

**771**

**Accumulated Depreciation**

At 1 April 2007

152

Charge for the year

107

**At 31 March 2008**

**259**

**NET BOOK VALUE**

**At 31 March 2008**

**512**

At 31 March 2007

544

**11. STOCKS**

**2008      2007  
£000      £000**

Raw materials and consumables

**212,816      220,155**

**12. DEBTORS**

**2008      2007  
£000      £000**

Trade debtors

2,067      1,210

Amounts owed by Group Undertakings

5,495      8,069

Intercompany loans

123,368      80,391

Other debtors and prepayments

243      541

**131,173      90,211**

# URANIUM ASSET MANAGEMENT LIMITED

## NOTES TO THE ACCOUNTS (continued)

At 31 March 2008

### 13. CREDITORS: amounts falling due within one year

	2008 £000	2007 £000
Trade creditors	7,836	10,169
Amounts owed to Group Undertakings	1,133	30
Tax creditor	9,953	2,729
VAT	3,104	1,543
Accruals and deferred income	698	876
	<b>22,724</b>	<b>15,347</b>

### 14. CREDITORS: amounts falling due after more than one year

	2008 £000	2007 £000
Amounts owed to Group Undertakings	<b>218,182</b>	<b>218,182</b>

Amounts owed to Group Undertakings comprise a funding loan from the ultimate holding company which is repayable after five years. The interest rate applied by Toshiba is charged on the basis of LIBOR plus an 'applicable rate' (average 0.45%).

### 15. PROVISIONS FOR LIABILITIES AND CHARGES

	<i>Provided</i> 2008	<i>Unprovided</i> 2008	<i>Provided</i> 2007	<i>Unprovided</i> 2007
				£k
Accelerated capital allowances	38	-	38	-
Other timing differences	-	-	-	-
Total deferred tax	<b>38</b>	<b>-</b>	<b>38</b>	<b>-</b>

### 16. PENSION & POST RETIREMENT BENEFITS

During the year the company participated in the UAM/WEC section of the Group Pension Scheme ("GPS"), a defined benefit pension scheme which requires contributions to be made to a separately administered fund.

In preparing the financial statements for the year ended 31 March 2007, the GPS was treated as a defined contribution scheme because the company had been unable to identify its share of assets and liabilities as the sectionalisation of the GPS was not completed until March 2008.

A full actuarial valuation of the WEC/UAM section was carried out at 31 March 2007 and the company's share of assets and liabilities updated to 31 March 2008 by a qualified independent actuary. The underlying assumptions used in the valuation were (in nominal terms):

URANIUM ASSET MANAGEMENT LIMITED

**NOTES TO THE ACCOUNTS (continued)**

**At 31 March 2008**

**16. PENSION & POST RETIREMENT BENEFITS (continued)**

	2008 %
Discount rate	6.0
Salary increase	5.6
Pensions increase	3.6
Inflation assumption	3.6

i. Summary:

	2008 £000
Net pension asset as at 31 March	495

ii. The company's share of assets at 31 March 2008 and the expected rate of return:

	Expected rate of return	2008 £000
Equities	7%	3,578
Gilts	4.6%	1,455
Other	6.0%	2,528
Total market value of assets		7,561
Present value of scheme liabilities		(6,874)
Recoverable surplus		687
Related deferred tax (liability)		(192)
Net pension asset		495

iii. The movements in the surplus in the year are as follows:

	2008 £000
Opening deficit in scheme before deferred taxation	-
Current service cost	(348)
Contributions	211
Past service cost	-
Net return on assets / (interest cost)	(2)
Actual return less expected return on pension scheme assets	-
Actuarial gain	826
Net pension asset	687

The current service cost includes £16,000 to recognise the pension liability at 31 March 2007.

URANIUM ASSET MANAGEMENT LIMITED

**NOTES TO THE ACCOUNTS (continued)**

**At 31 March 2008**

**16. PENSION & POST RETIREMENT BENEFITS (continued)**

iv. Impact on the company's financial statements:

	2008 £000
<b>Analysis of the amount charged to operating profit:</b>	
Current service cost	348
Past service cost	-
	<hr/>
Total operating charge	348
	<hr/>
<b>Analysis of the amount charged / (credited) to interest payable:</b>	
Expected return on pension scheme assets	17
Interest on pension scheme assets	(19)
	<hr/>
Net interest expense	(2)
	<hr/>
	2008 £000
<b>Analysis of the amount that has been recognised in the STRGL:</b>	
Actual return less expected return on pension scheme assets	(16)
Experience gains on the scheme liabilities	804
Changes in assumptions underlying the present value of the schemes assets	38
	<hr/>
Actuarial gain recognised in the STRGL	826
	<hr/>

v. History of experience gains and losses:

	2008
Actual return less expected return on pension section assets (£ thousand)	(16)
<i>Percentage of section assets</i>	0%
Experience gains and losses on section liabilities (£ thousand)	804
<i>Percentage of section liabilities</i>	(12%)
Total amount recognised in statement of total recognised gains and losses	826
<i>Percentage of section liabilities</i>	(12%)

# URANIUM ASSET MANAGEMENT LIMITED

## NOTES TO THE ACCOUNTS (continued)

At 31 March 2008

### 17. SHARE CAPITAL

	2008 £000	2007 £000
Authorised: 50 million ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid: 48,715,457 ordinary shares of £1 each	48,715	48,715

### 18. RESERVES

	Profit and loss account £000
At 1 April 2007	42,378
Retained profit for the year	34,393
Actuarial gain on defined benefit pension scheme net of deferred tax	595
At 31 March 2008	77,366

### 19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £000	2007 £000
Profit for the financial year	34,393	17,394
Actuarial gain on defined benefit pension scheme net of deferred tax	595	-
Opening shareholders' funds	91,093	73,699
Closing shareholders' funds	126,081	91,093

### 20. OPERATING LEASE COMMITMENTS

Annual commitments under operating leases, which relate to non-cancellable transport equipment leases, are as follows:

	2008 £000	2007 £000
Operating leases which expire:		
Within 1 year	-	55
Within 2 – 5 years	224	55
Over 5 years		
	224	110

# URANIUM ASSET MANAGEMENT LIMITED

## NOTES TO THE ACCOUNTS (continued)

At 31 March 2008

### 21a. RECONCILIATION OF OPERATING CASHFLOWS

	2008 £000	2007 £000
<b>Cash in/outflow from operating activities</b>		
Operating profit	48,656	16,504
Depreciation of tangible fixed assets	107	107
Decrease in stocks	7,339	12,399
Decrease in debtors and prepayments	2,096	2,724
Increase in operating creditors and accruals	375	6,301
Exchange gain on cash	-	2,054
<b>NET CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>58,573</b>	<b>40,089</b>

### 21b. ANALYSIS OF NET DEBT

	At 1 April 2007 £000	Cash Flows £000	Exchange movement £000	Other none cashflows £000	At 31 March 2008 £000
Cash in hand and at bank	13,750	8,279	-	-	22,029
		8,279			
Liquid resources	80,391	42,486	-	-	122,877
Long term loan	(218,182)	-	-	-	(218,182)
	<b>(124,041)</b>	<b>50,765</b>	<b>-</b>	<b>-</b>	<b>(73,276)</b>

### 22. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The Company is a subsidiary undertaking of Westinghouse Electric UK Limited and the ultimate parent company is Toshiba Corporation. Westinghouse Electric UK Limited is a subsidiary undertaking of Toshiba Nuclear Energy Holdings (UK) Limited which is owned in the following proportions:

67%	TSB Nuclear Energy Investment (UK) Limited
20%	Shaw Group Inc
10%	Kazatomprom
3%	Ishikawajima-Harima Heavy Industries Co. Limited

On 1 October 2007, TSB Nuclear Energy Investment UK Limited sold 10% of its investment in Toshiba Nuclear Energy Holdings (UK) Limited to Kazatomprom.

The smallest and largest group in which the results of the Company are consolidated is that headed by Toshiba Corporation, a Company incorporated in Japan. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public and may be obtained from the Head Office of the Toshiba Corporation in Japan. The head office address is Toshiba, 1-1, Shibaura 1-chome, Minato-ku, Tokyo 105-8001, Japan.

# URANIUM ASSET MANAGEMENT LIMITED

## NOTES TO THE ACCOUNTS (continued)

At 31 March 2008

### 23. DIRECTOR LOAN

On appointment to Managing Director Mike Smith had an employee housing loan. This interest free 10 year loan was provided in 1999 originally by BNFL plc as part of a relocation package with a 2 year deferment on payment.

### 24. POST BALANCE SHEET EVENTS

Uranium Asset Management paid a dividend of £60m to Westinghouse Electric UK Ltd its parent company at the request of the Ultimate parent Toshiba Nuclear Energy Holdings.

### 25. RELATED PARTY TRANSACTIONS

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 March, are as follows:

	2008 £000	2008 £000	2007 £000	2007 £000
<i>Sale &amp; purchases</i>	<i>Sales</i>	<i>Purchases</i>	<i>Sales</i>	<i>Purchases</i>
Urenco	-	-	1,044	18,920
Springfields Fuels Limited	108,462	2,314	88,204	2,444
Westinghouse Electric Company LLC	1,929	786	1,600	602
Westinghouse Sweden Electric	39	37	80	55
Westinghouse Electric UK	-	-	61	-
Toshiba Information Systems UK Limited	-	29	-	-
	<b>110,430</b>	<b>3,166</b>	<b>91,080</b>	<b>22,098</b>
	2008 £000	2008 £000	2007 £000	2007 £000
<i>Debtors &amp; Creditors</i>	<i>Debtors</i>	<i>Creditors</i>	<i>Debtors</i>	<i>Creditors</i>
Springfields Fuels Limited	3,220	21	7,490	-
Westinghouse Electric company LLC	2,270	140	578	-
Westinghouse Sweden Electric	5	52	-	30
TSB (Investment Europe) Ltd	-	910	-	-
Westinghouse Electric Energy Systems UK Ltd	-	10	1	-
	<b>5,495</b>	<b>1,133</b>	<b>8,069</b>	<b>30</b>
	2008 £000	2008 £000	2007 £000	2007 £000
<i>Loans and cash pooling</i>	<i>Loans</i>	<i>Cash pool</i>	<i>Loans</i>	<i>Cash pool</i>
Toshiba Nuclear Energy Holdings UK Limited	218,182	-	218,182	-
Westinghouse Electric Energy Systems UK Limited	-	123,369	-	80,391
	<b>218,182</b>	<b>123,369</b>	<b>218,182</b>	<b>80,391</b>

URANIUM ASSET MANAGEMENT LIMITED

**NOTES TO THE ACCOUNTS (continued)**

**At 31 March 2008**

**25. RELATED PARTY TRANSACTIONS (continued)**

<i>Interest Paid &amp; Received</i>	<b>2008</b>	<b>2008</b>	<b>2007</b>	<b>2007</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<i>Interest Paid</i>	<i>Interest Received</i>	<i>Interest Paid</i>	<i>Interest Received</i>
Westinghouse Electric Energy Systems UK Limited	-	3,868	-	2,167
Westinghouse Electric Company LLC	-	5,643	-	6,155
Springfields Fuels Limited	-	2,857	-	3,103
Toshiba Nuclear energy Holdings UK Limited	14,129	-	6,049	-
	<b>14,129</b>	<b>12,368</b>	<b>6,049</b>	<b>11,425</b>