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ENRICHMENT HOLDINGS LIMITED

Registered No. 6387705

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

31 March 2010

COMPANY INFORMATION

DIRECTORS
S Lovegrove
R Nourse

AUDITORS
Ernst & Young LLP
100 Barbirolli Square
Manchester
M2 3EY

REGISTERED OFFICE
1 Victoria Street
London
SW1H 0ET

DIRECTORS' REPORT

The Directors present their Directors' report and Group financial statements for year ended 31 March 2010. The Company was incorporated on 2 October 2007 and changed its name from Precis (2733) Limited to Enrichment Holdings Limited on 14 March 2008.

These financial statements are the first to be prepared in accordance with International Financial Reporting Standards as adopted by the European Union. Full disclosure surrounding the preparation of the financial statements can be found in note 2a to the financial statements

GROUP RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £101,699,000 (2009 restated: £67,549) During the year interim dividends of £53,315,000 (2009: £nil) were declared The Directors have declared a dividend of £21,618,000 (2009: £31,275,000) since the year end.

PRINCIPAL ACTIVITIES AND REVIEW OF THE BUSINESS

The Company's principal activity in the period was that of a holding company. The Company's subsidiary Enrichment Investments Limited owns 33.3% of URENCO Limited. URENCO's main activity is the supply of enriched uranium produced in enrichment plants using the centrifuge process.

On 1 April 2008 Enrichment Investments Limited (formerly BNFL Enrichment Limited) was transferred, by means of a transfer scheme under the Energy Act 2004, from British Nuclear Fuels Limited to Enrichment Holdings Limited.

The Company intends to continue to hold its investment in its subsidiary and associated undertaking for the foreseeable future.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors believe that the principal risk to the Group is the performance of its subsidiary and associated undertaking The Group regularly monitors the performance of its subsidiary and associated undertaking

DIRECTORS

The Directors who served during the year were as follows:

S Lovegrove
R Nourse

AUDITORS

A resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting

DIRECTORS' STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the Board

Richard Nourse
Director

10 December 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE GROUP FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' report and Group financial statements in accordance with applicable United Kingdom law and those International Financial Reporting Standards as adopted by the European Union.

The directors are required to prepare Group financial statements for each financial year which present fairly the financial position of the Group and parent Company, and the financial performance and cash flows of the Group and parent Company for that period In preparing those Group financial statements the directors are required to.

- select suitable accounting policies in accordance with IAS 8. *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and parent Company's financial position and financial performance, and
- state that the Group and parent Company has complied with IFRSs, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and parent Company and enable them to ensure that the Group financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Group and parent Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ENRICHMENT HOLDINGS LIMITED

We have audited the financial statements of Enrichment Holdings Limited for the year ended 31 March 2010 which comprise the Group Statement of Comprehensive Income, the Group and Company Statements of Changes in Equity, the Group and parent Company Statements of Financial Position, the Group and Company Statement of Cash Flows and the related notes 1 to 16 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union

This report is made solely to the Company's members, as a body, in accordance with chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

Opinion on financial statements
In our opinion

- the financial statements give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March and of the Group's profit for the year then ended,
- the Group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union,
- the parent Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006, and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent Company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Ernst & Young LLP

Julian Yates (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Manchester

20 December 2010

Group statement of comprehensive income

for the period ended 31 March

	Note	2010 £000	restated 2009 £000
Operating costs and expenses	3	(25)	-
Operating loss		(25)	-
Share of post tax profits of associate undertaking accounted for using the equity method	8	101,724	67,549
Profit before income tax		101,699	67,549
Income tax expense	6	-	-
Profit for the period from continuing operations		101,699	67,549
Other comprehensive income			
Gains/(losses) recognised directly in equity - associate undertaking			
Exchange differences on foreign currency translation of foreign operations		(39,611)	45,144
Cash flow hedges		34,660	(41,310)
Net investment hedges		38,606	(60,175)
Deferred tax on net investment hedges		(13,235)	18,785
Actuarial gains/(losses) on defined benefit pension schemes		2,967	(13,537)
Deferred tax on actuarial (losses)/gains		(712)	3,552
Utility partner payments		(59)	-
Deferred tax on utility partner payments		30	-
Other comprehensive income/(loss) for the period net of tax		22,646	(47,541)
Total comprehensive income for the period		124,345	20,008

Group statement of changes in equity

	Equity share capital £000	Capital reserve £000	Foreign currency translation reserve £000	Retained earnings £000	Total equity £000
Profit for the penod	-	-	-	67,549	67,549
Other comprehensive income/(loss)	-	-	45,144	(92,685)	(47,541)
Total comprehensive income/(loss) for the period	-	-	45,144	(25,136)	20,008
Capital contnbution	-	236,768	-	-	236,768
At 31 March 2009 (restated)	**-**	**236,768**	**45,144**	**(25,136)**	**256,776**
Profit for the year	-	-	-	101,699	101,699
Other comprehensive (loss)/income	-	-	(39,611)	62,257	22,646
Total comprehensive (loss)/income for the year	-	-	(39,611)	163,956	124,345
Equity dividends paid	-	-	-	(53,315)	(53,315)
At 31 March 2010	**-**	**236,768**	**5,533**	**85,505**	**327,806**

Company statement of changes in equity

	Equity share capital £000	Capital reserve £000	Retained earnings £000	Total equity £000
Profit for the penod	-	-	-	-
Total comprehensive income for the period	-	-	-	-
Capital contribution	-	236,768	-	236,768
At 31 March 2009 (restated)	**-**	**236,768**	**-**	**236,768**
Profit for the year	-	-	53,315	53,315
Total comprehensive income for the year	-	-	53,315	53,315
Equity dividends paid	-	-	(53,315)	(53,315)
At 31 March 2010	**-**	**236,768**	**-**	**236,768**

Group statement of financial position

Registered no. 6387705

for the period ended 31 March

	Note	2010 £000	restated 2009 £000	restated 2 Oct 2007 £000
ASSETS				
Non-current assets				
Investment in associate	8	**327,806**	225,501	-
Current assets				
Trade and other receivables	9	**31,300**	31,275	-
Cash and cash equivalents	10	**-**	-	-
Total assets		**359,106**	256,776	-
LIABILITIES				
Current liabilities				
Trade and other payables	11	**(31,300)**	-	-
Total liabilities		**(31,300)**	-	-
Net assets		**327,806**	256,776	-
Capital and reserves attributable to equity holders				
Equity share capital	13	**-**	-	-
Capital reserve	14	**236,768**	236,768	-
Foreign currency translation reserve	14	**5,533**	45,144	-
Retained earnings	14	**85,505**	(25,136)	-
Total equity		**327,806**	256,776	-

Richard Nourse

10 December 2010

Company statement of financial position

for the period ended 31 March

	Note	2010 £000	restated 2009 £000	restated 2 Oct 2007 £000
ASSETS				
Non-current assets				
Investment	8	**236,768**	236,768	-
Current assets				
Trade and other receivables	9	**31,300**	-	-
Cash and cash equivalents	10	**-**	-	-
Total assets		**268,068**	236,768	-
LIABILITIES				
Current liabilities				
Trade and other payables	11	**(31,300)**	-	-
Total liabilities		**(31,300)**	-	-
Net assets		**236,768**	236,768	-
Capital and reserves attributable to equity holders				
Equity share capital	13	**-**	-	-
Capital reserve	14	**236,768**	236,768	-
Retained earnings	14	**-**	-	-
Total equity		**236,768**	236,768	-

Richard Nourse

10 December 2010

Group statement of cash flows

for the period ended 31 March

	Note	2010 £000	restated 2009 £000
Cash flows from operating activities			
Profit for the period		**101,699**	67,549
Share of post tax profits of associate accounted for using the equity method		**(101,724)**	(67,549)
Increase in trade and other payables		**25**	-
Cash outflow from operations		**-**	-
Income taxes (paid)/received		**-**	-
Net cash outflow from operating activities		**-**	-
Cash flows from investing activities			
Dividends received from associates		**-**	-
Net cash inflow from investing activities		**-**	-
Cash flows from financing activities			
Dividends paid to Company's shareholders		**-**	-
Net cash used in financing activities		**-**	-
Net decrease in cash and cash equivalents		**-**	-
Cash and cash equivalents at beginning of year		**-**	-
Cash and cash equivalents at end of year		**-**	-

Company statement of cash flows

for the period ended 31 March

	Note	2010 £000	restated 2009 £000
Cash flows from operating activities			
Profit for the period		53,315	-
Dividend receivable settled on inter-company loan		(22,065)	
Increase in trade and receivables		(31,275)	
Increase in trade and other payables		25	-
Cash outflow from operations		-	-
Income taxes (paid)/received		-	-
Net cash outflow from operating activities		-	-
Cash flows from investing activities			
Dividends received from subsidiary		-	-
Net cash inflow from investing activities		-	-
Cash flows from financing activities			
Dividends paid to Company's shareholders		-	-
Net cash used in financing activities		-	-
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at beginning of year		-	-
Cash and cash equivalents at end of year		-	-

Notes to the financial statements

1 Authorisation of financial statements and statement of compliance with IFRSs

The financial statements of Enrichment Holdings Limited and its subsidiaries (the "Group") for the year ended 31 March 2010 were authorised for issue by the board of directors on 10 December 2010 and the statement of financial position was signed on the board's behalf by Richard Nourse Enrichment Holdings Limited is a private limited company incorporated and domiciled in England and Wales

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union as they apply to the financial statements of the Group for the year ended 31 March 2010

The Group's financial statements are also consistent with International Financial Reporting Standards as issued by the IASB The principal accounting policies adopted by the Group are set out in note 2

2 Accounting policies

a Basis of preparation

These financial statements have been prepared under the historical cost convention

These financial statements are the first to be prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union Previously the Group and Company's financial statements had been prepared in accordance with Generally Accepted Accounting Principles in the UK (UK GAAP) UK GAAP differs in some areas from IFRS In preparing these financial statements, the Group and Company has applied the principles set out in IFRS 1 – First-time Adoption of International Financial Reporting Standards (IFRS 1) IFRS 1 sets out the procedures that must be followed when adopting IFRS for the first time as the basis for preparing the financial statements The Group and Company is required to establish its IFRS accounting policies and, in general, apply these retrospectively to determine the IFRS opening statement of financial position at the date of transition (2 October 2007) and then throughout all subsequent periods The disclosures required by IFRS 1, including the reconciliations and descriptions of the effect of the transition from UK GAAP to IFRS on the comprehensive income, equity, and cash flows are provided in note 16

The Group's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union as they apply to the financial statements of the Group for the year ended 31 March 2010 and applied in accordance with the Companies Act 2006 The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2010

The Group financial statements are presented in Sterling and all values are rounded to the nearest one thousand pounds (£'000) except when otherwise indicated

A separate income statement for the parent Company has not been presented as permitted by section 408(3) of the Companies Act 2006 The parent Company earned a profit after taxation of £53,315,000 (2009 £nil) for the year ended 31 March 2010

The comparative period represents a long period of accounts from incorporation on 2 October 2007 to 31 March 2009 The parent Company became active on 1 April 2008 when it acquired the entire share capital of Enrichment Investment Limited and as such the results for the comparative period consolidates a 9 month period of results of its associate to 31 December 2008 compared with a 12 month period for the year ended 31 March 2010

b Changes in accounting policy and disclosure

The accounting policies adopted are consistent with those of the restated previous financial year except as described below

The following new and amended IFRS and IFRIC interpretations are mandatory as of 1 January 2009 unless otherwise stated

- *Amendment to IFRS 2 Share-based Payment Vesting Conditions and Cancellations*
- *Amendment to IFRS 7 Improving Disclosures around Financial Instruments*
- *IFRS 8 Operating Segments*
- *IAS 1 (Revised) Presentation of Financial Statements*
- *Amendments to IAS 23 Borrowing Costs*
- *Amendment to IAS 32 and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation*
- *IAS 39 and IFRS 7 Reclassification of Financial Assets effective 1 July 2008*
- *Amendments to IFRIC 9 and IAS 39 Embedded Derivatives effective for periods ending on or after 30 June 2009 (in the EU, no later than periods commencing after 31 December 2008)*
- *IFRIC 13 Customer Loyalty Programmes effective 1 July 2008 (in EU, no later than periods commencing after 31 December 2008)*
- *IFRIC 15 Agreements for the Construction of Real Estate effective 1 January 2009 (in the EU, no later than periods commencing after 31 December 2009)*
- *IFRIC 16 Hedges of a Net Investment in a Foreign Operation effective 1 October 2008 (in the EU, no later than periods commencing after 30 June 2009)*

- *IFRIC 18 Transfer of Assets from customers effective for transfers on or after 1 July 2009 (in the EU, no later than periods commencing after 31 December 2008)*
- *Improvements to IFRSs (issued May 2008)*

For each of the new or amended IFRS and IFRIC interpretations adopted in the period which impacts on the financial performance or financial position of the Group or has resulted in changes to disclosures, the impact is described below

IAS 1 (Revised) Presentation of Financial Statements

The revised Standard has required the reconciliation of movements in equity, previously disclosed in the notes, to be presented as a primary statement entitled "Group Statement of Changes in Equity" In addition, the Group Statement of Recognised Income and Expense has been replaced with the Group Statement of Comprehensive Income The revised standard requires this statement to present all items of recognised income and expense, either in one single statement, or in two linked statements The Group has elected to present one statement

In addition the revised Standard requires a third statement of financial position to be presented if accounting changes are applied retrospectively or reclassifications are made and the opening statement of financial position is affected This requirement applies to the Group in the current financial year and a statement of financial position has been presented as at 2 October 2007 to reflect the transition to IFRS

c New standards and interpretations not applied

The following standards and interpretations have an effective date after the date of these financial statements

International Accounting Standards (IAS/IFRSs)		Effective date*
IFRS 1	First Time Adoption of International Reporting Standards	1 July 2009
IFRS 1	Amendments to IFRS 1 – Additional Exemptions for First-time Adopters	1 January 2010
IFRS 1	Amendments to IFRS 1 – Limited Exemption from Comparative IFRS 7 disclosures	1 July 2010
IFRS 2	Amendments to IFRS 2 – Group Cash-settled Share-based Payment Transactions	1 January 2010
IFRS 3	Business Combinations (revised January 2008)	1 July 2009
IFRS 9	Financial Instruments Classification & Measurement	1 January 2013
IAS 24	Related Party Disclosures (revised)	1 January 2011
IAS 27	Consolidated and Separate Financial Statements (revised January 2008)	1 July 2009
IAS 32	Amendment to IAS 32 Classification of Rights Issues	1 February 2010
IAS 39	Eligible Hedged Items	1 July 2009
	Improvements to IFRS (issued April 2009)	Various dates

International Financial Reporting Interpretations Committee (IFRIC)		Effective date*
IFRIC 14	Amendment Prepayments of a Minimum Funding Requirement	1 January 2011
IFRIC 17	Distributions of Non-Cash Assets to Owners	1 July 2009
IFRIC 18	Transfer of Assets from Customers	1 July 2009
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	1 July 2010

*The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations As the Group prepares its financial statements in accordance with IFRS as adopted by the European Union, the application of new standards and interpretations will be subject to their having been endorsed for use in the EU via the EU Endorsement mechanism In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the Group's discretion to early adopt standards

The new standards and interpretations set out above are not expected to impact on the accounting policies of the Group or parent Company

d Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the end of the reporting date and the amounts reported for revenues and expenses during the year However, the nature of estimation means that actual outcomes could differ from those estimates It also requires management to exercise judgement in the process of applying the Group's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the fair value of the investment in Enrichment Investment Limited and its associate URENCO Limited

At 1 April 2008 the assets and liabilities of Enrichment Investment Limited and its associate URENCO Limited were fair valued based on URENCO Limited's financial statements for the year ended 31 December 2007 after adjusting for trading to 31 March 2008 and goodwill previously written off in its accounts The carrying value of the investment is subject to an annual impairment review to ensure that the carrying value of the investment held by the Group and parent Company does not exceed its recoverable amount

e Basis of consolidation

The Group financial statements consolidate the financial statements of Enrichment Holdings Limited and the entities it controls (its subsidiary and associate) drawn up to 31 March each year

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting year as the parent Company and are based on consistent accounting policies All intragroup balances and transactions, including unrealised profits arising from them, are eliminated

f Interests in associates

The Group's interests in its associates, being those entities over which it has significant influence and which are neither subsidiaries nor joint ventures, are accounted for using the equity method of accounting

Using the equity method, the investment in an associate is carried in the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less distributions received and less any impairment in value of individual investments The Group income statement reflects the share of the associate's results after tax Where there has been a change recognised in other comprehensive income of the associate, the Group recognises its share of any such change in the Group statement of other comprehensive income

Any goodwill arising on the acquisition of an associate, representing the excess of the cost of the investment compared to the Group's share of the net fair value of the associate s identifiable assets, liabilities and contingent liabilities, is included in the carrying amount of the associate and is not amortised To the extent that the net fair value of the associate's identifiable assets liabilities and contingent liabilities is greater than the cost of the investment, a gain is recognised and added to the Group's share of the associate's profit or loss in the period in which the investment is acquired

The financial statements of the associate are prepared to 31 December which is within three months of the year end as permitted by IAS 28 Investments in associates Where necessary, adjustments are made to bring the accounting policies used in line with those of the Group, to take into account fair values assigned at the date of acquisition and to reflect impairment losses where appropriate Adjustments are also made in the Group's financial statements to eliminate the Group's share of unrealised gain and losses on transactions between the Group and its associates

g Foreign currency translation

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the end of the reporting date All differences are taken to the income statement, except when hedge accounting is applied and for differences on monetary assets and liabilities that form part of the Group's net investment in a foreign operation These are taken to other comprehensive income until the disposal of the net investment, at which time they are reclassified from equity to profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined

The assets and liabilities of foreign operations are translated into sterling at the rate of exchange ruling at the balance sheet date Income and expenses are translated at weighted average exchange rates for the year The resulting exchange differences are recognised in other comprehensive income On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation

h Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount

i Investments

Investments comprise investments in subsidiaries and associates The carrying values of investments are reviewed for impairment if events or changes in circumstances indicate that a provision for impairment is required *j Trade and other receivables*

Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount Where the time value of money is material, receivables are carried at amortised cost Provision is made when there is objective evidence that the Group will not be able to recover balances in full Balances are written off when the probability of recovery is assessed as being remote

k Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts

l Trade and other payables

Trade and other payables are not interest bearing and are stated at their nominal value

3 Group operating loss

This is stated after charging

	2010 £000	2009 £000
Other operating charges	25	-

4 Auditors' remuneration

The Group paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Group

	2010 £000	2009 £000
Audit of the group financial statement	6	10
Other fees to auditors		
- auditing the accounts of subsidiaries	3	5
- all other services (relates to IFRS conversion)	10	-
	19	15

The audit fees in respect of the period ended 31 March 2009 have been met as part of the British Nuclear Fuels Limited group audit, a company whose ultimate parent undertaking is Her Majesty s Government

5 Staff costs and directors' emoluments

The Group and Company has no employees during the current and prior period

The Directors received no emoluments during the current and prior period

6 Taxation

a Tax charged in the income statement

	2010 £000	restated 2009 £000
Income statement		
Current income tax		
UK corporation tax	-	-
Total current income tax	-	-
	-	-
Tax charged in the income statement	-	-

6 Taxation (continued)

b Reconciliation of the total tax charge

The income tax expense in the income statement for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 28%) The differences are reconciled below

	2010 £000	restated 2009 £000
Profit before income tax	101,699	67,549
Accounting profit before income tax	101,699	67,549
Accounting profit multiplied by the UK standard rate of corporation tax of 28% (2009 28%)	28,476	18,914
Adjustment in respect of associate's taxation	(28,469)	(18,914)
Trading losses carried forward	(7)	-
	-	-

c Future changes in the corporation tax rate

Following announcements in the Emergency Budget of 22 June 2010, it was proposed that the full rate of corporation tax be reduced by 1% per year for four years from April 2011, ultimately bringing the corporation tax rate down to 24%

7 Dividends paid and proposed

	2010 £000	2009 £000
Declared and payable during the year		
Equity dividends on ordinary shares		
- first interim dividend *£15,637,294 (2009 £nil per share)*	**31,275**	-
- second interim dividend *£11,019,998 per share (2009 £nil per share)*	**22,040**	-
Dividends payable	**53,315**	-
Declared and paid after the year end		
Equity dividends on ordinary shares		
- interim dividend *£10,808,750 per share (2009 £15,637,294 per share)*	**21,618**	31,275
Dividends paid	**21,618**	31 275

8 Investments

a Summary

	Group			Company		
	2010 £000	restated 2009 £000	restated 2 Oct 2007 £000	2010 £000	restated 2009 £000	restated 2 Oct 2007 £000
Subsidiary (note 8b)	-	-	-	**236,768**	236,768	-
Associates (note 8c)	**327,806**	225,501	-	-	-	-
	327,806	225,501	-	**236,768**	236,768	-

8 Investments (continued)

b Subsidiary undertakings

	Company Cost £000
Additions	236,768
At 31 March 2009	**236,768**
At 31 March 2010	**236,768**

c Investments in associates

The share of the assets, liabilities, income and expenses of the associate entity are as follows

	31 Mar 2010 £000	restated 31 Mar 2009 £000	restated 2 Oct 2007 £000
Share of the associate's statement of financial position			
Non-current assets	**989,054**	842,049	-
Current assets	**237,316**	241,957	-
Share of gross assets	**1,226,370**	1,084,006	-
Current liabilities	**(268,888)**	(148,359)	-
Non-current liabilities	**(629,676)**	(710,146)	-
Share of gross liabilities	**(898,564)**	(858,505)	-
Share of net assets	**327,806**	225,501	-

	31 Mar 2010 £000	restated 31 Mar 2009 £000
Share of the associate's results		
Revenue	**332,651**	261,397
Operating profit	**148,491**	116,449
Finance income	**20,950**	5,221
Finance cost	**(29,318)**	(25 836)
Finance cost - net	**(8,368)**	(20,615)
Profit before tax	**140,123**	95,834
Income tax expense	**(38,399)**	(28 285)
Profit for the period	**101,724**	67,549

d The principal undertakings in which the Group's interest at the year end is more than 20% are as follows

Principal subsidiary undertakings	**Country of incorporation**	**Principal activity**	**Class and percentage of share held by group**
Enrichment Investments Limited	England	Holding company	100% ordinary shares
URENCO Limited *	England	Supply of enriched uranium	33% ordinary shares

** The year end for URENCO Limited is 31 December 2009*

9 Trade and other receivables

	Group			Company		
			restated			restated
		restated	2 Oct		restated	2 Oct
	2010	2009	2007	2010	2009	2007
	£000	£000	£000	£000	£000	£000
Amounts owed by parent undertaking	**31,300**	31,275	-	**25**	-	-
Amounts owed by subsidiary	-	-	-	**31,275**	-	-
	31,300	31,275	-	**31,300**	-	-

10 Cash and cash equivalents

	Group			Company		
			restated			restated
		restated	2 Oct		restated	2 Oct
	2010	2009	2007	2010	2009	2007
	£000	£000	£000	£000	£000	£000
Cash at bank and in hand	-	-	-	-	-	-

11 Trade and other payables

	Group			Company		
			restated			restated
		restated	2 Oct		restated	2 Oct
	2010	2009	2007	2010	2009	2007
	£000	£000	£000	£000	£000	£000
Amounts owed to parent undertaking	**31,275**	-	-	**31,275**	-	-
Accruals	**25**	-	-	**25**	-	-
	31,300	-	-	**31,300**	-	-

12 Financial assets, liabilities and instruments

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's and Company financial instruments that are carried in the financial statements

Group				2010
	Loans and receivables	Amortised cost	Total book value	Fair value
	£000	£000	£000	£000
Financial assets				
Cash	-	-	-	-
Trade and other receivables	31,300	-	31,300	31,300
Financial liabilities				
Trade and other payables	-	(31,300)	(31,300)	(31,300)
	31,300	(31,300)	-	-

12 Financial assets, liabilities and instruments (continued)

Group	Loans and receivables £000	Amortised cost £000	Total book value £000	restated 2009 Fair value £000
Financial assets				
Cash	-	-	-	-
Trade and other receivables	31,275	-	31,275	31,275
Financial liabilities				
Trade and other payables	-	-	-	-
	31,275	-	31,275	31,275

Group	Loans and receivables £000	Amortised cost £000	Total book value £000	restated 2 October 2007 Fair value £000
Financial assets				
Cash	-	-	-	-
Trade and other receivables	-	-	-	-
Financial liabilities				
Trade and other payables	-	-	-	-
	-	-	-	-

Company	Loans and receivables £000	Amortised cost £000	Total book value £000	2010 Fair value £000
Financial assets				
Cash	-	-	-	-
Trade and other receivables	31,300	-	31,300	31,300
Financial liabilities				
Trade and other payables	-	(31,300)	(31,300)	(31,300)
	31,300	(31,300)	-	-

Company	Loans and receivables £000	Amortised cost £000	Total book value £000	restated 2009 Fair value £000
Financial assets				
Cash	-	-	-	-
Trade and other receivables	-	-	-	-
Financial liabilities				
Trade and other payables	-	-	-	-
	-	-	-	-

12 Financial assets, liabilities and instruments (continued)

Company				restated 2 October 2007
	Loans and receivables £000	Amortised cost £000	Total book value £000	Fair value £000
Financial assets				
Cash	-	-	-	-
Trade and other receivables	-	-	-	-
Financial liabilities				
Trade and other payables	-	-	-	-
	-	-	-	-

13 Authorised and issued share capital

	2010 £	2009 £	2 Oct 2007 £
Authorised			
100 (2009 100) ordinary shares of £1 each	100	100	100
Allotted, called-up and fully-paid			
2 (2009 2) ordinary shares of £1 each	2	2	2

14 Reserves

Equity share capital

The balance classified as share capital includes the total net proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares

Capital reserve

The transfer of the shares in Enrichment Investment Limited from BNFL to Enrichment Holdings Limited on 1 April 2008 has been treated as a capital contribution in the Group and Company accounts The capital contribution arises as a result of the transfer which took place for nil consideration and resulted in net assets of £236,768,000 at the date of accquisition This treatment has been adopted on the basis that it represents a Group reorganisation by the ultimate Shareholder, being Her Majesty's Government represented by the Department for Energy and Climate Change

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of the Group's foreign associate

15 Other 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 with other related parties are as follows

		2010		2009		2 Oct 2007
Related party	Amounts owed by related party £000	Amounts owed to related party £000	Amounts owed by related party £000	Amounts owed to related party £000	Amounts owed by related party £000	Amounts owed to related party £000
Parent undertaking	**31,300**	**(31,275)**	31,275	-	-	-
Subsidiary undertaking	**31,275**	-	-	-	-	-
Associate undertaking	-	-	-	-	-	-

15 Other related party transactions (continued)

At 31 March 2010 the Company's ultimate controlling party is the Department of Energy and Climate Change (DECC), a department of Her Majesty's Government

Dividends totalling £53,315,000 were payable to DECC during the year with dividends of £22,065,000 received from URENCO Limited during the year Dividends declared in the year from Enrichment Investments Limited to Enrichment Holdings Limited totalled £53,340,000 All dividends were settled on inter-company accounts with the exception of £31,275,000 which remains payable from Enrichment Investments Limited to Enrichment Holdings Limited

Remuneration of key management and personnel

The Directors, who are the key management personnel of the Group received no remuneration during the year

Directors' transactions

There were no transactions between the Directors and the Company during the current or previous period

16 Transition to IFRS

Explanation of transition to IFRSs

For all periods up to and including the period ended 31 March 2009, the Group prepared its financial statements in accordance with United Kingdom generally accepted accounting practice (UK GAAP) These financial statements, for the year ended 31 March 2010, are the first the Group is required to prepare in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU)

Accordingly, the Group has prepared financial statements which comply with IFRSs applicable for periods beginning on or after 2 October 2007 and the significant accounting policies meeting those requirements are described in note 2

In preparing these financial statements, the Group has started from an opening balance sheet as at 2 October 2007, the Group s date of transition to IFRSs, and made those changes in accounting policies and other restatements required by IFRS 1 for the first-time adoption of IFRSs As such, this note explains the principal adjustments made by the Group in restating its UK GAAP balance sheet as at 2 October 2007 and its previously published UK GAAP financial statements for the period ended 31 March 2009

Group reconciliation of equity as at 2 October 2007

	Notes	*UK GAAP*	*UK GAAP Adjustments*	*IFRS Re-measurement*	*IFRS Re-classifications*	*IFRSs*
		£000	£000	£000	£000	£000
ASSETS						
Non-current assets						
Investment in associate		-	-	-	-	-
Current assets						
Trade and other receivables		-	-	-	-	-
Cash and cash equivalents		-	-	-	-	-
Total assets		-	-	-	-	-
LIABILITIES						
Current liabilities						
Trade and other payables		-	-	-	-	-
Total liabilities		-	-	-	-	-
Net assets		-	-	-	-	-
Capital and reserves attributable to equity holders						
Equity share capital		-	-	-	-	-
Capital reserve		-	-	-	-	-
Foreign currency translation reserve		-	-	-	-	-
Retained earnings		-	-	-	-	-
Total equity		-	-	-	-	-

16 Transition to IFRS (continued)

Group reconciliation of equity as at 31 March 2009

	UK GAAP £000	UK GAAP Adjustments £000	IFRS Re-measurement £000	IFRS Re-classifications £000	IFRSs £000
Notes			*a b c*	*f*	
ASSETS					
Non-current assets					
Investment in associate	205,411	-	20,090	-	225,501
Current assets					
Trade and other receivables	31,275	-	-	-	31,275
Cash and cash equivalents	-	-	-	-	-
Total assets	236,686	-	20,090	-	256,776
LIABILITIES					
Current liabilities					
Trade and other payables	-	-	-	-	-
Total liabilities	-	-	-	-	-
Net assets	236,686	-	20,090	-	256,776
Capital and reserves attributable to equity holders					
Equity share capital	-	-	-	-	-
Capital reserve	233,215	-	3,553	-	236,768
Foreign currency translation reserve	-	-	-	45,144	45,144
Retained earnings	3,471	-	16,537	(45,144)	(25,136)
Total equity	236,686	-	20,090	-	256,776

Group reconciliation of profit and loss for the period ended 31 March 2009

	UK GAAP £000	UK GAAP Adjustments £000	IFRS Re-measurement £000	IFRS Re-classifications £000	IFRSs £000
Notes			*a b*	*e*	
Share of operating profit in associated undertaking	133,706	-	(17,257)	(116,449)	-
Operating profit	133,706	-	(17,257)	(116,449)	-
Finance income	5,990	-	(769)	(5,221)	-
Finance cost	(39,706)	-	13,870	25,836	-
Finance cost - net	(33,716)	-	13,101	20,615	-
Share of post tax profits of associate undertaking accounted for using the equity method	-	-	-	67,549	67,549
Profit before income tax	99,990	-	(4,156)	(28,285)	67,549
Income tax expense	(29,177)	-	892	28,285	-
Profit for the period	70 813	-	(3,264)	-	67,549
Other comprehensive income					
Gains/(losses) recognised directly in equity - associate undertaking					
Exchange differences on foreign currency translation of foreign operations	38,994	-	6,150	-	45,144
Cash flow hedges	(47,394)	-	6,084	-	(41,310)
Net investment hedges	(69,038)	-	8,863	-	(60,175)
Deferred tax on net investment hedges	21,551	-	(2,766)	-	18,785
Actuarial gains/(losses) on defined benefit pension schemes	(15,531)	-	1,994	-	(13,537)
Deferred tax on actuarial gains/(losses)	4,076	-	(524)	-	3,552
Other comprehensive (losses)/income for the period, net of tax	(67,342)	-	19,801	-	(47,541)
Total comprehensive income for the period	3,471	-	16,537	-	20,008

16 Transition to IFRS (continued)

Company reconciliation of equity as at 2 October 2007

	Notes	UK GAAP £000	UK GAAP Adjustments £000	IFRS Re-measurement £000	IFRS Re-classifications £000	IFRSs £000
ASSETS						
Non-current assets						
Investment		-	-	-	-	-
Current assets						
Trade and other receivables		-	-	-	-	-
Cash and cash equivalents		-	-	-	-	-
Total assets		-	-	-	-	-
LIABILITIES						
Current liabilities						
Trade and other payables		-	-	-	-	-
Total liabilities		-	-	-	-	-
Net assets		-	-	-	-	-
Capital and reserves attributable to equity holders						
Equity share capital		-	-	-	-	-
Capital reserve		-	-	-	-	-
Retained earnings		-	-	-	-	-
Total equity		-	-	-	-	-

Company reconciliation of equity as at 31 March 2009

	Notes	UK GAAP £000	UK GAAP Adjustments £000	IFRS Re-measurement £000	IFRS Re-classifications £000	IFRSs £000
				d		
ASSETS						
Non-current assets						
Investment		-	-	236,768	-	236,768
Current assets						
Trade and other receivables		-	-	-	-	-
Cash and cash equivalents		-	-	-	-	-
Total assets		-	-	236,768	-	236,768
LIABILITIES						
Current liabilities						
Trade and other payables		-	-	-	-	-
Total liabilities		-	-	-	-	-
Net assets		-	-	236,768	-	236,768
Capital and reserves attributable to equity holders						
Equity share capital		-	-	-	-	-
Capital reserve		-	-	236,768	-	236,768
Retained earnings		-	-	-	-	-
Total equity		-	-	236,768	-	236,768

16 Transition to IFRS (continued)

Restatement of equity from UK GAAP to IFRS

Remeasurements

	Group		Company	
	Statement of financial position	Comprehensive income statement	Statement of financial position	Comprehensive income statement
	£000	£000	£000	£000
Effects of remeasurement for the period ended 31 March 2009				
Foreign exchange (see 16a)	10,078	10,078	-	-
IAS 23 (revised) Borrowing costs (see 16b)	9,626	6,073	-	-
Amortisation of goodwill (see 16c)	386	386	-	-
	20,090	16,537	-	-

a Foreign exchange

Under UK GAAP, the results and net assets of URENCO Limited were retranslated using the closing exchange rate at the balance sheet date Under IFRS this is not permitted, the spot rate must be used to retranslate the income statement but where this is not practical the use of an average rate is permitted

In addition, IAS 21 states that where a foreign operation (which in the case of URENCO Limited is a UK entity which presents its accounts in euros) prepares its accounts to a different reporting date, that date should be used in retranslating the results of the foreign operation Under UK GAAP the Group's reporting date was used to retranslate the results of URENCO Limited

As a result a net adjustment of £10,078,000 has arisen which impacts on both the statement of financial position and comprehensive income statement for the period ended 31 March 2009

b IAS 23 (revised) Borrowing costs

IAS 23 Borrowing Costs has been revised to require capitalisation of borrowing costs on qualifying assets and as a result URENCO Limited has amended its accounting policy for the year ended 31 December 2009

The revisions to IAS 23 are effective for annual periods beginning on or after 1 January 2009, however URENCO Limited designated 1 January 2006 as the commencement date for capitalisation Borrowing costs on qualifying assets with a commencement date on or after 1 January 2006 have been capitalised until completion of the project The capitalised borrowing costs are then depreciated in line with the useful life of the asset No changes have been made for borrowing costs incurred prior to this date that have been expensed

As a result of adopting this standard, URENCO Limited's comparative results and net assets for the year ended 31 December 2007 and 2008 have been restated and this has led to an increase in the acquisition value of the investment in associate by £3,553,000 at 1 April 2008 and an impact to the income statement of £6,073,000 during the period ended 31 March 2009 The total impact on the investment in associate at 31 March 2009 is £9,626 000

c Amortisation of goodwill

Under UK GAAP goodwill is amortised over its estimated useful economic life However under IFRS, goodwill is not amortised and instead is reviewed annually for impairment

An adjustment has been made to reverse the amortisation charged in the period ended 31 March 2009 of £386,000

d Fair value of investment

The investment in Enirchment Investments Limited held in the company accounts for Enrichment Holdings Limited was recorded at a cost of nil under UK GAAP since the shares were transferred for nil consideration IFRS permits the investment to be held at fair value in accordance with IAS 39 and as such the investment has been remeasured to the fair value at 1 April 2008 of £236,768,000 with a capital contribution recognised at this date

Reclassifications

e Associate

Under UK GAAP the Group's share of operating profit, finance income, finance costs and tax charge of URENCO Limited (its associate) is included in the Group income statement Under IFRS, the Group's share of the post-tax results of URENCO Limited is reported in the income statement as a single line item before profit from continuing operations, finance costs and tax expense

f Foreign currency translation reserve

IFRS requires exchange gains and losses arising from the translation of the financial statements of foreign operations to be disclosed separately as a component of reserves As a result an adjustment of £45,144,000 has been made to reclassify foreign currency translation gains from retained earnings