

Uranit UK Limited

Report and Accounts

31 December 2007

Registered Company No. 2845667

TUESDAY



AX4L945E

A61

21/10/2008

9

COMPANIES HOUSE

DIRECTORS

M Coenen
D Steinheider

SECRETARY

M L von Oppenfeld

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
9 Greyfriars Road
Reading
Berkshire RG1 1JG

REGISTERED OFFICE

18 Oxford Road
Marlow
Bucks
SL7 2NL

DIRECTORS' REPORT

The directors present their annual report and audited financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITY, REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of Uranit UK Limited ("the company") is that of a holding company. The directors consider that the company will continue in its role as a holding company for the foreseeable future.

The following transactions took place during the year under review:

- The company received dividends of €32.5 million from Urenco Limited. The company paid dividends of €32.5 million to its parent undertaking, Uranit GmbH.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to €32.5 million (2006: €210.6 million).

The directors expect to pay a final dividend for the year 2007 of €39.8 million (2006 final dividend: €32.5 million). This proposed dividend will be submitted for formal approval at the Annual General Meeting to be held on 16th June 2008. These financial statements do not reflect this dividend payable which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2008.

FINANCIAL RISK MANAGEMENT

The principal activity of the company is that of a holding company and as such is not exposed to many financial risks. The company does not have any suppliers and customers. The main risk is that of the effects of changes in interest rates.

The company receives interest on intercompany lending at EURIBOR rate of interest and its bank deposits are at a variable rate. No financial instruments were used by the company during the year to manage interest rate costs, and therefore no hedge accounting has been applied. The directors will revisit the appropriateness of this should the company's operations change in size or nature.

POLITICAL AND CHARITABLE DONATIONS

The company made no political or charitable donations during the year.

DIRECTORS AND THEIR INTERESTS

The directors who served during the period and up to the date of signing the financial statements were as follows:

M Coenen	Resigned 1 st June 2008
D Steinheider	Resigned 18 th August 2008
C Quick	Appointed 1 st June 2008
A Schultheiss	Appointed 18 th August 2008

The directors did not have any interest in the share capital of the company or of the parent company during the year. No directors had any material interest during the year in a contract which is significant in relation to the company's business.

DIRECTORS' REPORT (continued)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 period.

In preparing those financial statements, 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business, in which case there should be supporting assumptions or qualifications as necessary

The directors confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

Disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that, so far as each of the Directors are aware, there is no relevant audit information (that is, information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware. Each Director 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.

INDEPENDENT AUDITORS

A resolution to reappoint PricewaterhouseCoopers LLP as auditors will be proposed at the annual general meeting.

By order of the Board



Dr M von Oppenfeld
Company Secretary

Date

13 Oct. 2008

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF URANIT UK LIMITED

We have audited the financial statements of Uranit UK Limited for the year ended 31 December 2007 which comprise the Profit and loss account, the Balance sheet, Reconciliation of shareholders funds, the Cashflow statement and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 other transactions 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 International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 December 2007 and of its profit and 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.



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
Reading

14th October 2008

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2007

	Notes	2007 €000	2006 €000
Other operating charges	2	(40)	(35)
Income from shares in group undertaking	5	32,500	39,167
Income from fixed asset investments	6	-	170,546
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST AND TAXATION		32,460	209,678
Interest receivable	7	41	1,302
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		32,501	210,980
Taxation on profit on ordinary activities	8	12	(412)
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		13	(12,882)

The results above are derived entirely from continuing operations

There are no differences between the profit on ordinary activities before taxation and the profit for the years stated above and their historical cost equivalents

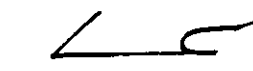
There are no recognised gains and losses relating to the year other than the profits reported above, therefore a statement of total recognised gains and losses is not presented

BALANCE SHEET
at 31 December 2007

	Notes	2007 €000	2006 €000
FIXED ASSETS			
Investments	10	105,456	105,456
CURRENT ASSETS			
Debtors	11	268	-
Cash at bank and in hand		720	1,359
		988	1,359
CREDITORS , amounts falling due within one year	12	(34)	(418)
NET CURRENT ASSETS		954	941
TOTAL ASSETS LESS CURRENT LIABILITIES		106,410	106,397
NET ASSETS		106,410	106,397
CAPITAL AND RESERVES			
Called up share capital	13	-	-
Share premium	14	100,135	100,135
Profit and loss account	15	6,275	6,262
EQUITY SHAREHOLDERS' FUNDS		106,410	106,397

The financial statements on pages 6 to 14 were approved by the board of directors on
13 Oct. 08 and were signed on its behalf by


C Quick
Director


A Schultheiss
Director

CASHFLOW STATEMENT

for the year ended 31 December 2007

	2007 €000	2006 €000
Net cash inflow from operating activities (Note 16)	32,455	91,376
Returns on investments and servicing of finance		
Interest received	41	1,302
Net cash flow from returns on investments and servicing of finance	41	1,302
Taxation paid	(635)	(689)
Capital expenditure and financial investment		
Disposal of investment	-	132,814
Net cash outflow for capital expenditure and financial investment	-	132,814
Equity dividends paid	(32,500)	(223,450)
(Decrease)/ Increase in net cash	(639)	1,353

RECONCILIATION OF SHAREHOLDERS' FUNDS

for the year ended 31 December 2007

	2007 €000	2006 €000
Profit for the financial year	32,513	210,568
Dividends on equity shares	(32,500)	(223,450)
Net movement in shareholders' funds	13	(12,882)
Opening shareholders' funds	106,397	119,279
Closing shareholders' funds	106,410	106,397

Notes to the financial statements for the year ended 31 December 2007

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts

Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year

Basis of preparation

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom

Fixed asset investments

Fixed asset investments are held at cost less any provision for diminution in value

Foreign currencies

The company's financial statements are presented in Euros

Transactions in currencies other than Euros are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities in currencies other than Euros are translated at closing rates of exchange. The closing balance sheet for 2007 has been converted at a rate of €1 = £0.734 (2006: €1 = £0.674)

All exchange gains and losses on settlement or translation of monetary assets and liabilities at closing rates of exchange are included in the determination of profit/loss for the year. Fixed Asset Investments in currencies other than Euros are recorded at either the opening balance sheet rate, or the rate which prevailed at the date of the transaction

Deferred taxation

A full provision is made for deferred tax assets and liabilities arising between the recognition of gains and losses in the financial statements and their recognition in a tax computation, where the originating transaction or event has occurred by the balance sheet date. No provision is made for any contingent tax liability which would arise in the event of sales of investment properties being affected at the valuation at which they are carried in the balance sheet. Deferred tax events and liabilities are not discounted

Notes to the financial statements for the year ended 31 December 2007

2. OTHER OPERATING CHARGES

This is stated after charging

	2007 €000	2006 €000
Auditors' remuneration		
- for audit services	12	13
- for non audit services	6	6

3 DIRECTORS' REMUNERATION

During the year under review, two directors were employed as Executive Directors of the company. Their remuneration, together with pension contributions relating to them, was paid by and charged in the accounts of other group companies, being RWE Power AG and E.ON Energie AG.

4. STAFF COSTS

During the year, the company did not have any employees.

5. INCOME FROM SHARES IN GROUP UNDERTAKING

Income from group undertakings of €32.5 million (2006: €39.2 million) relates to dividends paid by Urenco Limited to the company.

6. INCOME FROM FIXED ASSET INVESTMENTS

On the 24th November 2003, the company signed an agreement to sell 16.7% of the ordinary shares held in ETC to Areva, a French owned company. The transaction, which was completed on 1 July 2006, generated a profit arising on the sale of this investment of €170.5 million.

Cash consideration of €50.0 million was paid by Areva in 2003 with the final instalment of €132.8 million being paid in 2006.

The profit on the sale of the investment in ETC is calculated as the excess of consideration received of €182.8 million over the carrying value of the investment disposed of amounting to €12.3 million. Corporation tax arising on the transaction amounted to €nil.

Notes to the financial statements for the year ended 31 December 2007

7 INTEREST RECEIVABLE

Interest receivable includes bank interest totalling €36,000 (2006 €600,000), and interest on repaid tax totalling €5,000 (2006 €nil)

Interest from loans to other group companies totals €nil (2006 €702,000)

8. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Analysis of tax charge in the year:

	2007 €000	2006 €000
Current Tax		
Current Tax on Income for the Year	-	385
Adjustments in Respect of Prior Years	(12)	27
	<u>(12)</u>	<u>412</u>
Deferred Tax		
Origination and Reversal of Timing Differences	-	-
	<u>-</u>	<u>-</u>
Total Tax on Profit on Ordinary Activities	<u>(12)</u>	<u>412</u>

The tax assessed for the year is lower (2006 lower) than the standard rate of corporation tax in the UK (30%) The differences are explained below

	2007 €000	2006 €000
Profit on ordinary activities before taxation	<u>32,501</u>	<u>210,980</u>
Profit on ordinary activities multiplied by the standard rate in the UK – 30%	9,750	63,294
Effects of		
Income not subject to corporation tax	(9,750)	(62,909)
Adjustments in respect of prior years	(12)	27
	<u>(12)</u>	<u>412</u>
Current tax (credit)/charge	<u>(12)</u>	<u>412</u>

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK changes to 28% with effect from 1 April 2008 The impact of this change on future tax charges is expected to be minimal

Notes to the financial statements for the year ended 31 December 2007

9. DIVIDENDS PAID AND PROPOSED

	2007 €000	2006 €000
Declared and paid during the year		
Equity dividends on ordinary shares		
Final dividend	32,500	27,450
Interim dividend	-	196,000
	<u>32,500</u>	<u>223,450</u>
Proposed final dividend	<u>39,750</u>	<u>32,500</u>

The proposed dividend will be submitted for formal approval at the Annual General Meeting to be held on 16th June 2008. These financial statements do not reflect this dividend payable which will be accounted for in shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2008.

10. INVESTMENTS

	Shares in Urenco Limited €000
Cost at 1 January 2007 and at 31 December 2007	<u>105,456</u>

The cost as at 1 January 2007 and 31 December 2007 represents 56 million 'C' Ordinary shares (a one third share of the issued capital) in Urenco Limited, a company registered in England and Wales. Urenco Limited is the holding company of a group engaged in uranium enrichment and operates in Germany, The Netherlands and Great Britain.

At 31 December 2007, Urenco Limited had aggregate share capital and reserves of €864.2 million (2006: €719.9 million) and in the year ended on that date had consolidated profit after taxation of €238.5 million (2006: €215.2 million).

The directors consider the value of the investment to be supported by their underlying assets.

11. DEBTORS

	2007 €000	2006 €000
<i>Amounts receivable within one year</i>		
Current Corporation Tax	263	-
Interest Receivable	5	-
	<u>268</u>	<u>-</u>

Notes to the financial statements for the year ended 31 December 2007

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	€000	€000
Current Corporation Tax	-	384
Other Creditors	34	34
	<u>34</u>	<u>418</u>

13. SHARE CAPITAL

	2007	2006
	€	€
<i>Authorised</i>		
140 (2006 140) Ordinary shares of £1 each	<u>211</u>	<u>211</u>
<i>Allotted, called up and fully paid</i>		
140 (2006 140) Ordinary shares of £1 each	<u>211</u>	<u>211</u>

14. SHARE PREMIUM

	Share premium
	€000
At 1 January 2007 and at 31 December 2007	<u>100,135</u>

15. PROFIT AND LOSS ACCOUNT

	Profit and Loss Account
	€000
At 1 January 2007	6,262
Profit for the year	32,513
Dividends paid	(32,500)
At 31 December 2007	<u>6,275</u>

16 RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2007	2006
	€000	€000
Profit before interest and tax	32,460	209,678
Profit on sale of investment	-	(170,546)
(Increase)/ decrease in debtors	(5)	52,279
Decrease in creditors	-	(35)
Net cash inflow from operations	<u>32,455</u>	<u>91,376</u>

17. CAPITAL COMMITMENTS

At 31 December 2007, there were no amounts authorised and contracted but not provided for in the accounts

Notes to the financial statements for the year ended 31 December 2007

**18 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF
LARGER GROUP OF WHICH THE COMPANY IS A MEMBER**

The company is the wholly owned subsidiary of Uranit GmbH, a company incorporated in the Federal Republic of Germany, which the Directors regard as the ultimate parent and controlling party. Copies of Uranit GmbH accounts can be obtained from www.ebundesanzeiger.de