



Radioactive Waste Management Limited Annual Report and Accounts 2018-19

Our vision is to provide a safer future by managing radioactive waste effectively, to protect people and the environment.

Corporate Information

Directors¹

Malcolm Morley OBE (Chair)
Mike Bowman
John Corderoy
Peter Lock
Ann McCall
Bruce McKirdy
Corhyn Parr
David Prout CB
Claes Thegerström
Andrew Van Der Lem
Karen Wheeler CBE

Secretary

Elizabeth Hodgson

Auditor

Mazars LLP
One St Peter's Square
Manchester M2 3DE

Registered Office

Herdus House
Westlakes Science & Technology Park
Moor Row
Cumbria
CA24 3HU

¹Current Directors as at the date of this Report – please see the Directors Report for Directors serving during the year.
Malcolm Morley photo, page 4: Brian Thomas Photography

Contents

Statement from our Chair	4
Managing Director’s Review	6
About RWM	8
Vision, Mission and Values	9
Strategic Report	10
Directors' Report	16
Statement of Directors’ Responsibilities.....	20
Independent Auditors' Report.....	22
Financial Statements 2018-2019	24
Income Statement	25
Statement of Comprehensive Income	26
Balance Sheet.....	27
Statement of Changes in Equity	28
Notes to the Financial Statements	29

Statement from our Chair

This report represents my first full year as Chair of Radioactive Waste Management Limited (RWM). A year which saw, in December 2018 and January 2019, the UK Government and Welsh Government announce the launch of a new process for the siting of a Geological Disposal Facility (GDF) in England and Wales respectively.

Geological disposal is internationally recognised as the best solution for the long-term management of higher activity radioactive waste. A GDF is essential for the disposal of legacy wastes and for waste generated by current and future nuclear activities.

RWM recognises that the launch of the new community consent based siting process requires it to build upon its scientific and technical expertise to evolve into a community focused delivery body. Community engagement and developing long-term relationships with communities is at the very centre of RWM's approach.

A significant challenge in community engagement is to change perceptions about radioactive waste. RWM will not put forward proposals for a GDF unless it is confident about its safety. It is also a fact that unless the independent Regulators are absolutely clear that any proposal for a GDF is safe, it will not happen.

A GDF is a national multi-billion-pound infrastructure project that can provide significant benefits on a long-term basis to a community. I look forward to RWM working with communities to explore how the investment available can be used to realise community benefits including jobs, careers, infrastructure provision, education and skills acquisition.

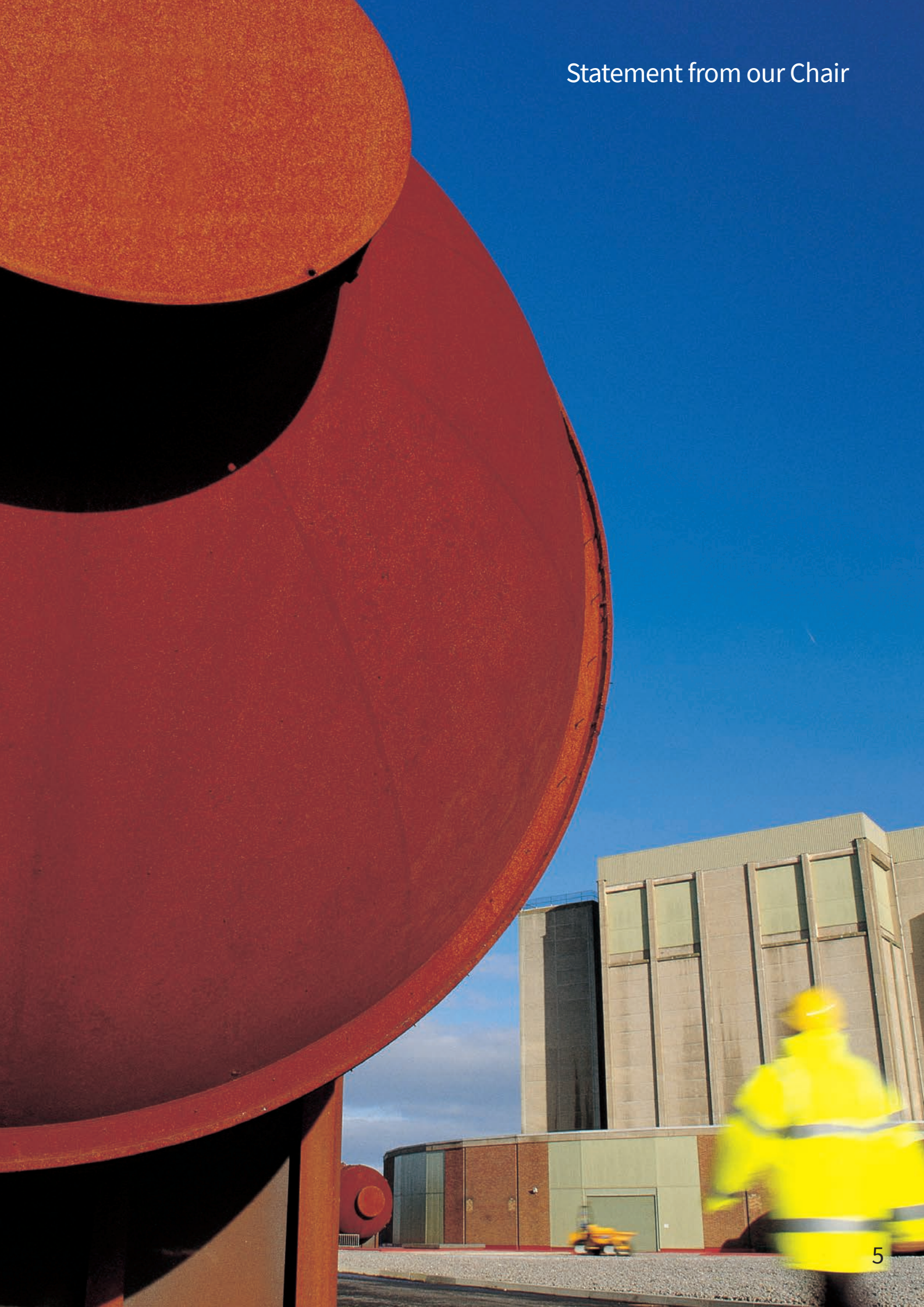
RWM continues to provide advice and guidance to waste producers on radioactive waste packaging. It works, as part of the Nuclear Decommissioning Authority (NDA), to contribute to the Integrated Waste Management Strategy. RWM's role in contributing to the NDA's mission is vital as is its role in supporting the achievement of the UK Government's Industrial Strategy and the Nuclear Sector Deal.

This is an exciting time for RWM and I am confident that, working as part of One NDA, and with communities and external stakeholders, the progress made this year will be built upon to make progress towards the delivery of a GDF.

I would like to thank my Board colleagues, the Executive Team, colleagues within RWM and the NDA and many in external organisations that have supported RWM.

Professor Malcolm Morley OBE
Chair





Managing Director's Review

Radioactive Waste Management Limited (RWM) was established in 2014 as a wholly-owned subsidiary of the Nuclear Decommissioning Authority (NDA). Our vision is to provide a safer future by managing waste effectively, to protect people and the environment. Our mission is to deliver a Geological Disposal Facility (GDF) and provide radioactive waste management solutions.

Since 2014 we have been on a journey of organisational transformation. Government policy published that year set out a framework for implementing geological disposal that would be developer-led and based on working in partnership with willing communities. The policy document required three actions to be completed before a new GDF siting process could be launched:

- Geological disposal to be designated as a Nationally Significant Infrastructure Project.
- Policy and processes for working with communities to be established.
- National Geological Screening to provide authoritative information on the geology of England, Wales and Northern Ireland that is relevant to geological disposal.

2018–19 was an extremely successful year that saw the completion of those three actions, the publication of new policy documents and the launch of the GDF siting process in England and Wales. It also saw us reach a significant stage in our development as a delivery organisation – ready to start the next phase of the GDF programme. That stage is expected to take up to five years and involves engagement with communities and feasibility studies at potential sites.

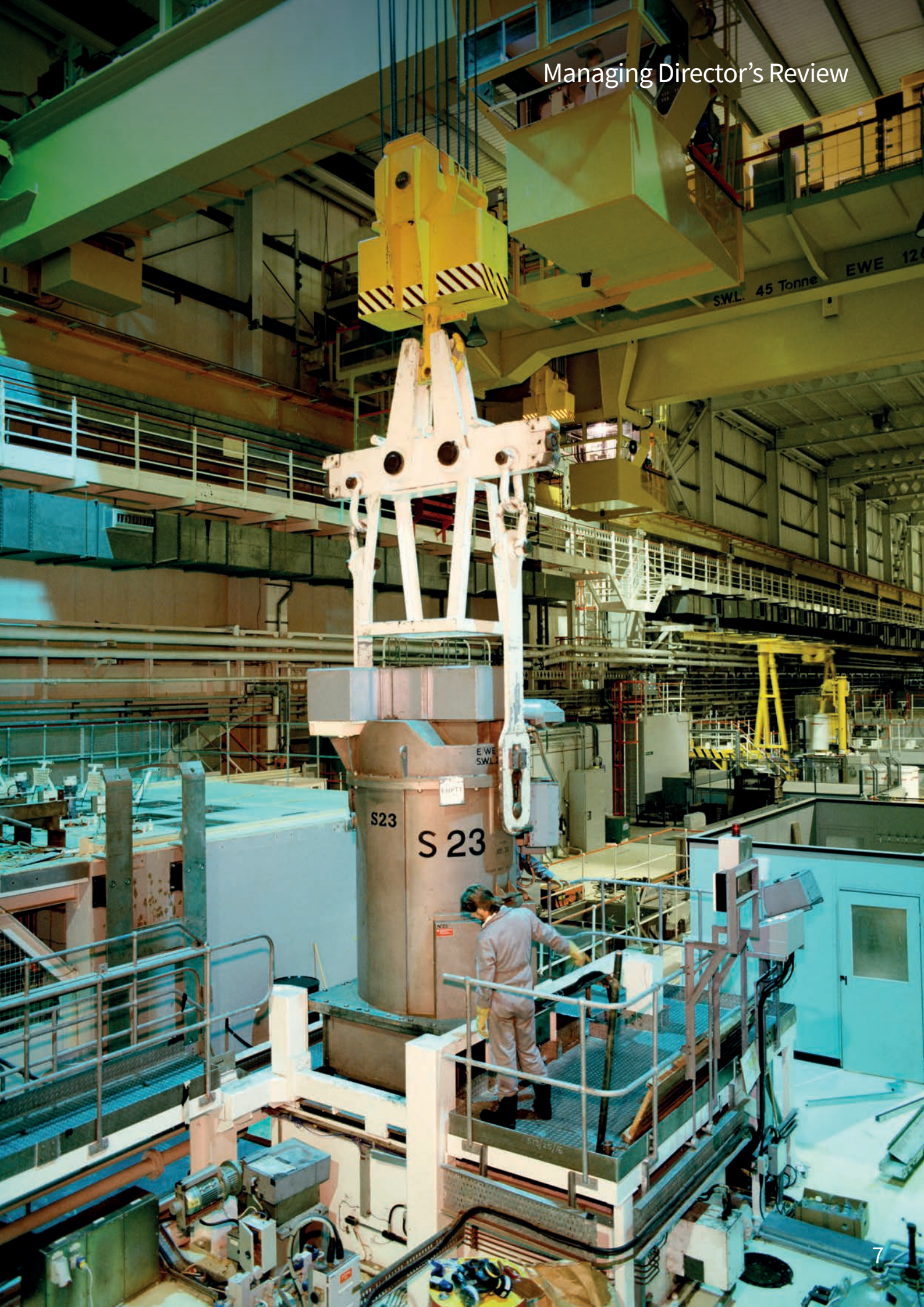
As an organisation we are also in a good position to ramp-up our work in developing waste management solutions. First, at a strategic level working with NDA's corporate centre on an integrated waste management strategy – identifying optimum waste management approaches across the estate. Second, on an increasing programme of disposability assessments. These assessments provide assurance that, as nuclear facilities are decommissioned and sites are cleared, the packaged waste will be suitable for disposal in a GDF.

I am immensely grateful to everyone involved in achieving the above progress. It has required a huge effort and we should all feel proud. But we will not be complacent. This year is the start of a long process that will require further organisational changes. We can expect to face challenging setbacks and we will need to be resilient.

We need to enable people to perform at their best and to do that we need to make sure our organisation is a great place to work. We take equality, diversity and inclusion very seriously and have an active programme of work to address issues that our staff surveys have shown to be important. This is supported from the very top of the NDA group and by all of the NDA leaders. It is key to our success and we will continue to give it the priority it deserves.

Bruce McKirdy
Managing Director





About RWM

Radioactive Waste Management Limited (RWM) is a wholly owned subsidiary of the Nuclear Decommissioning Authority (NDA). NDA is responsible, under the Energy Act 2004, for the clean-up of the UK's publicly-owned, civil nuclear sites - including management of higher activity radioactive waste.

RWM was formed in April 2014 for the purpose of delivering a Geological Disposal Facility (GDF) and providing solutions for the management of higher activity radioactive waste. The team, of around 160 people, brings together specialists in safety, security, science, engineering, programme management and community engagement.

The UK's mission to deal with radioactive waste

Nuclear technology has been a part of our lives for over 60 years and is used in power generation, industry, medicine and defence. Today, nuclear energy provides almost a fifth of the UK's electricity. These activities have created radioactive waste which we need to manage safely.

A GDF comprises a network of highly-engineered underground vaults and tunnels built to permanently dispose of higher activity radioactive waste so that no harmful levels of radiation ever reach the surface environment. Geological disposal is internationally recognised as the best long-term solution; it will create jobs and guaranteed investment for the host community.

Government policy on the site selection process

When it comes to selecting a site for a GDF the process is 'consent-based'. This means that whilst RWM will lead the Siting Process, it requires a community's consent before we can apply for the licences and permits to construct and operate a GDF. RWM's aim is to find a suitable site and a community who will decide for themselves if they are willing to host a GDF.





Vision, Mission and Values

Government has appointed RWM to plan for, and build, a GDF. RWM will appoint contractors who have the necessary specialist skills to support its work.

Our vision is to provide a safer future by managing radioactive waste effectively, to protect people and the environment.

Our mission is to deliver a Geological Disposal Facility and provide radioactive waste management solutions.

RWM has established a set of four core **values** which describe the kind of organisation it strives to be. These values are used in developing the organisation and are factored into assessments of individual and organisational performance.

Safe

We are committed to achieving the highest standards of safety, security and environmental protection.

Professional

We are experts in our field, acting with integrity and efficiency to deliver the best solutions.

Engaging

We are open and communicate in a straightforward way that enhances understanding and encourages engagement.

Learning

We continuously learn, share knowledge and build strong mutually beneficial relationships.

Further Information

For further information about how we operate and our mission, please visit our website at

www.gov.uk/rwm

Strategic Report

This strategic report provides an overview of Radioactive Waste Management Limited's (RWM's) performance in 2018-19 and a look ahead to the next five years.

Government established the Nuclear Decommissioning Authority (NDA) to clean up the UK's publically owned civil nuclear sites. NDA delivers its mission through a number of site licence companies and delivery bodies.

RWM is a wholly owned subsidiary of NDA, with its main objectives being the delivery of geological disposal and providing waste management solutions.

The work also supports UK Government objectives set out in its Industrial Strategy to boost the national economy, increase scientific, engineering and technological skills, and support regional economic growth. A GDF will help achieve the aims of the Nuclear Sector Deal, which include working closely with the rest of the NDA and supply chain to innovate and reduce the costs of decommissioning.

RWM's work is underpinned by a technical programme and by the continuing development of the organisation. The next part of this report looks at what RWM did in 2018-19 in the following areas:

- **Implement Government policy on Geological Disposal of Higher Activity Waste.**
- **Work proactively with waste producers, planning for and delivering waste management solutions.**
- **Deliver a robust Technical Programme to support the GDF Programme and Waste Management.**
- **Develop RWM into a high performing delivery organisation.**

Further Information

This year we published a new Corporate Strategy, available to download at:

www.gov.uk/government/organisations/radioactive-waste-management/about

Implement Government policy on Geological Disposal of Higher Activity Waste

The UK Government published its updated policy on geological disposal *Implementing Geological Disposal: Working with Communities*² in December 2018, which marked the launch of the GDF siting process in England. In Wales, the siting process was launched by the Welsh Government's publication of its Working with Communities policy³ in January 2019.

To support the launch of the siting process, and RWM's subsequent site evaluation consultation, RWM published a series of documents for communities in England and Wales:

- **Introduction to Geological Disposal**⁴
A short guide to geological disposal and how communities can benefit from being involved in the siting process.
- **Community Guidance**
Produced for England⁵ and Wales⁶, RWM's Community Guidance provides detailed information on how RWM will work with and support those communities who participate in the siting process.

The siting process could take up to 20 years. During this time there will be a wide range of support available to communities who wish to explore what a GDF might mean for them.

The guidance suggests how funding could be used to provide economic development opportunities, enhance the environment, or improve community well-being.

- **National Geological Screening**

This provides a high-level summary of geological information relevant to the long-term safety of a GDF.

- **Site Evaluation Consultation documents**

- These documents for England⁷ and Wales⁸ set out how RWM will evaluate locations that enter the siting process.

RWM's site evaluation documents were subject to consultation between January and April 2019. During the consultation RWM hosted 14 events at eight locations in England welcoming over 130 attendees. Following stakeholder feedback, four webinars were held in Wales with around 70 participants. RWM is currently analysing all of the feedback and will publish a response in 2019.

² <https://www.gov.uk/government/publications/implementing-geological-disposal-working-with-communities-long-term-management-of-higher-activity-radioactive-waste>

³ <https://gov.wales/written-statement-geological-disposal-radioactive-waste-working-potential-host-communities-0>

⁴ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766913/RWM_Prospectus_EnglandV1.pdf

⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766914/RWM_CommunityGuidance_ENGLAND.pdf

⁶ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/771264/Community_Guidance_for_Wales.pdf

⁷ <https://www.gov.uk/government/consultations/site-evaluation-how-we-will-evaluate-sites-in-england>

⁸ <https://www.gov.uk/government/consultations/site-evaluation-how-we-will-evaluate-sites-in-wales>

Work proactively with waste producers, planning for and delivering waste management solutions

RWM has a key role, working as part of the wider NDA group, to identify optimum waste management approaches for Higher Activity Waste (HAW). This work forms part of an integrated waste management programme to support HAW inventory management.

The work ensures that proportionate and cost-effective solutions are applied, whilst never compromising on safety.

RWM has also led a programme of Disposability Assessment and waste package records approval processes, to ensure that waste packages will be manufactured in a way that minimises the risk of significant additional work or packaging before disposal. This work is properly evidenced through package records.

Deliver a robust Technical Programme to support the GDF Programme and Waste Management.

The Technical Programme has continued to develop and underpin designs for the geological disposal system for host rocks found in the UK. As part of this work, safety, environmental and security cases have been developed to underpin those designs. This covers the transport of waste to a geological disposal facility, the operation of a facility, and the safety of the facility after its closure.

All the designs and safety cases have been subject to regulatory scrutiny and this year RWM has developed plans to address recommendations from regulators.

RWM aims to ensure that radioactive materials packaged today will not need to be repackaged in the future. The designs and safety cases enable RWM to work closely with the producers of radioactive waste to assess the suitability of their waste packages for disposal in a GDF. They are also used to assess the suitability of potential GDF sites.

This year plans were set out for the next phase of technical work required for the geological disposal programme. This will include securing permissions for boreholes to inform the characterisation of potential sites for a GDF.

Develop RWM into a high performing delivery organisation

To deliver one of the most significant and challenging infrastructure programmes in the UK, RWM needs to grow into an organisation with additional capabilities and expertise, whilst importantly building on and retaining core technical competencies. RWM needs to have an external focus and develop enduring relationships with communities.

The team has been strengthened with additional capability for working with communities and communicating the importance of a GDF.

This year the headcount increased by 27% (35 people), and the organisation is building towards having the capability in place for future phases of the programme.

An assessment has been undertaken of which organisational capabilities are needed for each phase of the GDF programme. The results have been mapped into a formal organisational development programme. This will continue to be a major part of the work programme over the next few years.

This year the organisation's values, which describe the kind of organisation RWM aspires to be, were updated. The values now include 'safe' as an overriding value to reflect a commitment to achieving the highest standards of safety, security and environmental protection.

It is essential to fully support all employees so that they, in turn, can give their best. This year RWM delivered unconscious bias training, and introduced equality, diversity, and inclusion inductions for new starters. New flexible working arrangements were introduced and RWM achieved the Bronze 'Talent, Inclusion & Diversity Evaluation' Award from the Employers Network for Equality & Inclusion.

The next five years

For the last year RWM's focus has been on supporting the launch of the GDF siting process in England and Wales.

The focus is now on raising awareness of RWM, its work, and engaging with people about geological disposal.

The next stage of the process is critical. Following initial engagement, RWM will work in partnership with communities to evaluate a number of potential sites for a GDF. These evaluations will include design studies for specific sites, initial safety analyses, and environmental and economic impact assessments to help establish whether sites could be suitable.

During this time work will continue with each community to provide information, address their questions, and help develop a community vision. After a period of up to five years, the plan is to recommend two sites for further investigation.

The next phase will involve using borehole investigations to gather data on the geological properties of two sites. The data gathered will be used as the basis for design and safety assessments to verify the potential suitability of the sites. This work will happen alongside continuing engagement with the potential host communities.

In parallel, progress will be made on the designs and planning for a GDF. So that by the time the characterisation phase starts, RWM will have developed a good understanding of the potential design and delivery programme that will be needed, depending on the location and site.

A GDF is a multi-barrier safety system to provide containment and isolation of the waste until it no longer presents a hazard. It is essential that adequate records are available of all waste packages destined for a GDF. Therefore a programme of work is being progressed to approve records for all higher activity waste.

RWM is also working with NDA to establish a work programme to support Scottish Government policy on higher activity waste by 2024.

RWM's business model

RWM operates as a fully funded subsidiary of the NDA, which is itself Government funded. As the developer of a GDF, RWM needs to create access to a supply chain that enables it to commission the provision of other necessary services for supply of the technology and infrastructure services which will be required to deliver a GDF. It will retain in-house key strategic competencies and capacity to commission services, provide specialist waste expertise, and oversee and manage delivery.

A key new role is to work with communities who may be interested in hosting a GDF. RWM will work in partnership with communities, using a consent based process, to create Working Groups and Community Partnerships leading to a successful Test of Public Support.

RWM's corporate targets

In order to ensure RWM could be measured on the delivery of its key activities NDA as shareholder approved an RWM Operating Plan which sets out key deliverables and targets.

At year end, eight of the nine targets had been fully completed and confirmed by an NDA Audit team.

Delivery of one Corporate Target to "Provide the essential facilities, including Harwell Office move, London accommodation and support services appropriate for a major infrastructure delivery body" was missed, with a move to RWM's newly refurbished office accommodation due for completion in June 2019 and the need for regional accommodation being re-evaluated.

Financial performance

RWM operates a project governance system that is based on the distribution of funding, that NDA makes available, through accountable executive directors, to approved projects. Monthly and quarterly reviews of project performance and the latest best estimate (LBE) of their forecast for the end of year outcome are used to control the financial position. The RWM portfolio of projects is adjusted throughout the year to ensure the optimum use of the financial resources provided by NDA.

Against a total NDA funding line of £36.348m, with other income of £1.514m, the 2018/19 turnover was £35.154m. This represents 92.8% utilisation of available funding.

Read the Financial Statements for 2018-19 on page 24

Corporate Targets	Status
1. Complete preparations to launch and start implementation of the siting process	Complete
2. Deliver the Strategic Outline Business Case (SOC) for GDF Site Characterisation phase for NDA Approval	Complete
3. Work with waste producers on the development of waste package solutions that are compatible with the requirements of a GDF and have approved records	Complete
4. Deliver the RWM Higher Activity Waste programme in support of the NDA Strategic Theme of Integrated Waste Management	Complete
5. Produce revised GDF programme level schedules and costings, with associated uncertainties, for agreement with NDA	Complete
6. Direct resources and deliver the capability to support GDF Siting, Waste Management and business case development	Complete
7. Develop and integrate all organisational development plans into a single programme that enables delivery of the GDF programme and drive delivery against the plan	Complete
8. Provide the essential facilities, including Harwell Office move, London accommodation and support services appropriate for a major infrastructure delivery body	Incomplete
9. Develop comprehensive and achievable Equality Diversity and Inclusion plans, taking account of NDA estate wide surveys and deliver agreed performance improvements	Complete

Risks and uncertainties

RWM's risks and uncertainties are reviewed every month as part of the risk management process, with oversight provided by the Audit & Assurance Committee on a quarterly basis. RWM pays particular attention to risks and uncertainties within its control and influence, and those outside its influence that might have a significant impact on the business. The principal risks and uncertainties facing RWM in the short to medium term and the associated mitigation activities are:

Risk: RWM fails to attract and retain communities during the Siting process

Mitigation:

- Develop a compelling proposition to attract and engage with potential communities.
- Establish a fully trained outreach team to support engaging with communities.
- Recruit a campaign partner and secure the necessary funding.

Risk: Health, safety, security and environmental issues affect delivery

Mitigation:

- Implement a Health, Safety, Security and Environmental improvement plan, resulting in appropriate governance of activities.

Risk: Legal challenge arising from RWM's activity or the wider siting process impacts on its ability to deliver its mission

Mitigation:

- Carry out legal reviews, recruit additional in-house legal support and carry out an effectiveness review.

Risk: RWM does not successfully transition into a suitable delivery body for the launch and subsequent delivery of the Siting process

Mitigation:

- Continue to review and develop RWM's organisational capability against the requirements of current and future phases of the programme.
- Increase capability and capacity with the recruitment of 35 new members of staff, with plans in place to recruit 30 more before the next phase.
- Develop organisational culture taking account of reviews.

Risk: Programme delivery will be affected due to a lack of, or non-commitment of resources (e.g. capacity, capability, funding, supply chain support)

Mitigation:

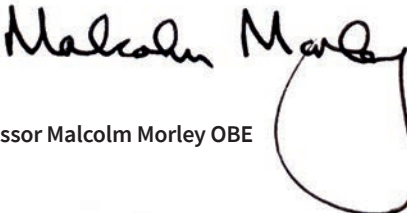
- Gain approval of the GDF Programme Business Case and resource the organisation accordingly.

Risk: RWM's technical programme is undermined, affecting its reputation and delivery

Mitigation:

- Deliver the technical programme to support the progress of community engagement and site evaluation work, and provide advice to waste producers.
- Subject RWM's work to regulatory scrutiny.
- Engage in the international arena to share knowledge from other GDF programmes.

This report was approved by the board on 13.11.2019 and signed on its behalf by:



Professor Malcolm Morley OBE
Chair

Directors' Report

This section includes:

- The Directors' Report
- Statement of Directors' Responsibilities
- The Independent Auditors' Report

Directors' Report
Registered No. 08920190

The Directors present their report for Radioactive Waste Management Limited ("RWM" or the "Company") for the year ended 31 March 2019:

RWM Directors

The Directors who served RWM during the year are shown below:

Malcolm Morley OBE (Chair)
Mike Bowman
Melanie Brownridge (resigned 30 April 2019⁹)
John Corderoy
Kiernan Doherty (resigned 30 April 2018)
Peter Lock
Ann McCall
Bruce McKirdy
David Prout CB (appointed 24 July 2018)
Claes Thegerstrom
Paul Vallance (resigned 14 April 2018)
Andrew Van Der Lem (appointed 16 April 2018)
Karen Wheeler CBE (appointed 24 July 2018)

⁹ After the period of this report

The Directors present their report for the year ended 31 March 2019.

Employees – equality, diversity and inclusion

The task ahead of RWM is considerable. Of critical importance is communicating effectively with communities, and RWM has spent time building its team, increasing headcount by 27% (35 people) this year. RWM is now closer to having the necessary resources in place for it to deliver on key activities, and it is building towards having the capability in place for future phases of its mission.

RWM has assessed which organisational capabilities it needs for each phase of the GDF programme and mapped these into a formal organisational development programme. This will continue to be a major part of our work programme over the next few years.

RWM must also ensure it continues to develop its culture and values. 'Safe' is now an overriding value, which reflects RWM's commitment to achieving the highest standards of safety, security and environmental protection.

The organisation has taken several steps to ensure it fully supports its staff, in order that they can give their best to their roles. It has delivered 'unconscious bias' training, and introduced equality, diversity, and inclusion inductions for new starters. It also introduced flexible working arrangements and achieved the Bronze 'Talent, Inclusion & Diversity Evaluation' Award from the Employers Network for Equality & Inclusion.

RWM does not discriminate on the grounds of age, sex, ethnic origin, religious or philosophical belief, sexual orientation, trade union membership or disability. Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with RWM continues and that appropriate training is arranged. It is the policy of RWM that the training, career development and promotion of a disabled person should, as far as possible be identical to that of a person who does not suffer from a disability.

Consultation with employees and their representatives occurs at all levels, with the aim of ensuring that their views are taken into account when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of RWM. Communication with all employees continues through RWM's intranet pages, in-house newsletters, briefing groups and the distribution of the Report and Financial Statements.

The RWM gender pay gap data shows that women's mean hourly rate was 16% lower than the men's rate. The gender diversity of RWM's directors and staff as at the end of the year is set below:

	Female	Male
Directors of RWM	3	8
Employees in other senior executive positions	nil	3
Other employees	45	89

Financial Instruments

RWM finances its activities predominantly with funding from NDA (96%), supplemented by income received from waste producers in exchange for the provision of transport and packaging advice, and research grants (4%).

In accordance with the terms of a funding agreement with NDA, RWM receives its funding in advance of need. Funds are held in Government Banking Services managed accounts and thereby made available to the Exchequer. The NDA funding agreement also provides access to emergency funding arrangements to meet short term cash flow requirements should the need arise. RWM therefore does not require an overdraft facility.

Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from RWM's operating activities.





Dividends

The Directors do not recommend the payment of a dividend to shareholders.

Events Since the Balance Sheet Date

No events since the balance sheet date have had a material impact on these reported results.

Directors' Liabilities

Under the Articles of Association the Directors of RWM are, and were during the year to 31st March 2019, indemnified by RWM against liabilities and costs incurred in connection with the execution of their duties or the exercise of their powers, to the extent permitted by the Companies Act 2006. This was in force at the date of approval of the Financial Statements, page 24.

Macpherson Review Recommendations

RWM has in place a Quality Assurance framework for the classification, specification, development and assurance of all business-critical numerical models. RWM strives to make continuous improvements to its existing procedures, and the procedures around modelling have been reviewed and, where necessary, updated during the year to ensure they remain appropriate and in line with the 2013 Macpherson Review recommendations.

Going Concern

Due to RWM's reliance on Government funding through NDA, the Directors have considered: the outcome of the 2015 Spending Review; the potential outcome of the upcoming spending review process; how RWM would adapt its programme in response to reduced NDA funding and are comfortable that RWM would still be able to operate as a going concern.

As a consequence, the Directors believe that RWM is well placed to manage its business risks successfully despite the current uncertain economic outlook and have a reasonable expectation that RWM has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Report and Financial Statements.

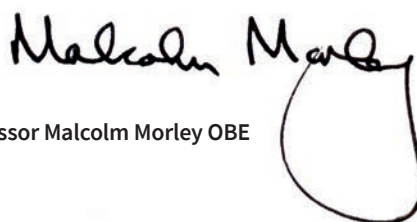
RWM's 2018-19 performance activities, together with a look ahead to the next five years, are described in the Strategic Report on pages 10 to 13.

Directors' Statement as to Disclosure of Information to Auditor

The Directors who were members of the Board at the time of approving the Directors' Report are listed on page 2. Having made enquiries of fellow Directors and of the Company's auditor, each of these Directors confirms that:

- To the best of each Director's knowledge and belief, there is no information (that is, information needed by the Company's auditor in connection with preparing their report) of which the Company's auditor is unaware; and
- Each Director has taken all the steps a Director might reasonably be expected to have taken to be aware of relevant audit information and to establish that the Company's auditor is aware of that information.

This report was approved by the board on 13.11.2019 and signed on its behalf by:



Professor Malcolm Morley OBE
Chair

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable UK 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). Under company law the Directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the Directors are required to:

- select suitable accounting policies and the 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.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.





Independent Auditors' Report

Opinion

We have audited the financial statements of Radioactive Waste Management Limited (the "Company") for the year ended 31 March 2019 which comprise the Income Statement, Statement of Comprehensive Income, Balance Sheet, the Statement of Changes in Equity and the Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 March 2019 and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are Required to Report by Exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 20, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our Report

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.

Charlene Lancaster (Senior statutory auditor)

for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
One St Peter's Square
Manchester M2 3DE

14.11.2019

Financial Statements 2018-19

This section provides:

- Income Statement
- Balance Sheet
- Notes to the Financial Statements

Income Statement

for the year ended 31 March 2019

	Note	2019	2018
		£	£
Turnover	4	35,154,072	29,415,815
Other external charges		(19,888,135)	(16,231,118)
Staff costs	7	(13,649,988)	(12,351,042)
Other operating charges		(1,807,827)	(978,625)
Other operating Income		191,878	144,970
Operating profit	5	-	-
Profit on ordinary activities before taxation		-	-
Tax on profit or loss on ordinary activities	8	-	-
Profit on ordinary activities after taxation for the financial period		-	-

All amounts derive from continuing operations.

The notes on pages 29 to 35 are an integral part of these financial statements.

Statement of Comprehensive Income

for the year ended 31 March 2019

There are no recognised gains or losses other than the results shown in the income statement for the year ended 31 March 2019 or the year ended 31 March 2018. Accordingly, no separate statement of comprehensive income has been prepared.

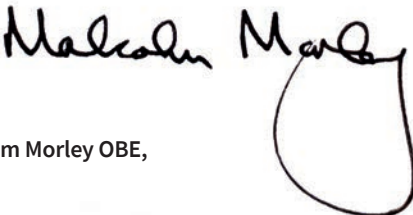
Balance Sheet

at 31 March 2019. Company Registration No: 08920190

	Note	2019	Restated 2018 ¹⁰
		£	£
Current assets			
Trade debtors		290,256	15,272
Amounts owed by group undertakings	14	287,889	491,767
Other debtors		843,225	809,731
Prepayments and accrued income		402,702	2,370,284
Cash at bank and in hand		8,306,780	5,080,711
		10,130,852	8,767,765
Creditors: amounts falling due within one year			
Trade creditors	9	(544,323)	(1,627,053)
Other creditors including taxation and social security		(528,941)	(316,105)
Accruals and deferred income		(9,057,587)	(6,824,606)
		(10,130,851)	(8,767,764)
Net current assets		1	1
Net assets		1	1
Capital and reserves			
Called up share capital	12	1	1
Profit and loss account		-	-
Total equity		1	1

The notes on pages 29 to 35 are an integral part of these financial statements.

The financial statements on pages 24 to 28 were approved on behalf of the Board of Directors on 13.11.2019 and were signed on its behalf by:



Professor Malcolm Morley OBE,
Chair

¹⁰To ensure consistency with other NDA group reporting entities, Site Licence Companies owned by Parent Body Organisations operating under contract with NDA are no longer treated as group undertakings. For 2018 this has resulted in a restatement of "Amounts owed by group undertakings" and "Trade debtors".

Statement of Changes in Equity

at 31 March 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2017	1	–	1
Profit for the financial period	–	–	–
Other comprehensive income for the year	–	–	–
At 31 March 2018	1	–	1
Profit for the financial period	–	–	–
Other comprehensive income for the year	–	–	–
At 31 March 2019	1	–	1

The notes on pages 29 to 35 are an integral part of these financial statements.

Notes to the Financial Statements

1. Authorisation of Financial Statements and Statement of Compliance with FRS101

The financial statements of Radioactive Waste Management Limited (RWM) for the year ended 31 March 2019 were authorised for issue on the Board's behalf on 25 June 2019 and the balance sheet was signed on the Board's behalf by Malcolm Morley OBE. Radioactive Waste Management Limited is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101) and in accordance with applicable accounting standards.

The immediate parent undertaking is the Nuclear Decommissioning Authority (NDA). The consolidated financial statements of the NDA are available to the public and may be obtained from its headquarters at Herdus House, Westlakes Science and Technology Park, Moor Row, Cumbria CA24 3HU. In the Directors' opinion, RWM's ultimate controlling party is Her Majesty's Government.

RWM's financial statements are presented in Sterling. The principal accounting policies adopted by RWM are set out in note 3.

2. Adoption of New and Revised Standards and Interpretations

2.1 New Standards, Interpretations and Amendments

The new Standard impacting RWM that has been adopted in the annual financial statements for the year ended 31 December 2018 is:

- IFRS 15 Revenue from Contracts with Customers (IFRS 15).

However this has not given rise to a material effect in change in accounting policy for RWM.

Other new and revised Standards and Interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact RWM as they are either not relevant to RWM's activities or require accounting which is consistent with RWM's current accounting policies.

3. Accounting Policies

3.1 Basis of Preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006. The outcome of the Directors' assessment of RWM as a going concern is summarised in the Directors' Report on page 16.

RWM has adopted FRS101 from formation, and for all periods presented. The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2019.

As permitted by FRS 101, RWM has taken advantage of the disclosure exemptions available under that standard in relation to the following:

- a) the requirements of IFRS 7 'Financial Instruments: Disclosures';
- b) the requirements of paragraphs 134-136 of IAS 1 'Presentation of Financial Statements';
- c) the requirements of IAS 7 'Statement of Cash Flows'; and
- d) the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Estimate and Errors'.

3.2 Judgements and Key Sources of Estimation Uncertainty

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 balance sheet date and the amounts reported for revenues and expenses during the reporting period. These relate primarily to the value of work done or services delivered. No individual estimate or judgement is considered to be material; however the nature of estimation means that actual outcomes could differ from those estimates.

3.3 Significant Accounting Policies

a) Intangible Assets

Research and development costs are expensed as incurred as any assets or rights arising are vested with NDA.

b) Tangible Fixed Assets

The risks and benefits associated with expenditure on intangible and tangible fixed assets by RWM lie with NDA. This expenditure is treated as revenue expenditure in these financial statements. The expenditure is capitalised in NDA's financial statements.

c) Provisions for Liabilities

A provision is recognised when RWM has a legal or constructive obligation as a result of a past event; it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

Where RWM expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when recovery is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

d) Financial Instruments

RWM's financial assets include cash, trade and other receivables.

e) Trade and other Debtors

Trade debtors, which generally have 30 day terms, 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 for impairment is made through profit and loss when there is objective evidence that RWM will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

f) Cash at Bank and in Hand

Cash and short term deposits in the balance sheet comprise cash at banks.

g) Income Taxes

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates and laws that are enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Otherwise income tax is recognised in the income statement.

h) Pensions and other Post-employment Benefits

RWM's employees have pension benefits provided through the Civil Service Pension Scheme Arrangements. The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) known as "Alpha", are unfunded multi-employer defined benefit schemes but RWM is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the Civil Service Pension Scheme Arrangements as at 31 March 2012. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation <https://www.civilservicepensionscheme.org.uk/about-us/resource-accounts>. In accordance with guidance issued by HM Treasury, these pension arrangements are accounted for as defined contribution schemes in these financial statements.

The total cost charged to expenditure of £1,613,809 (2018: £1,480,659) represents contributions payable to these schemes by RWM at rates specified in the scheme rules. No contributions were outstanding at 31 March 2019 (2018: £nil).

i) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to RWM and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

j) Rendering of Services

Revenue from NDA for the delivery of RWM's agreed programme of work is recognised only to the extent that costs are recoverable.

Revenue from the provision of disposability assessment and transport advice is recognised by reference to the stage of completion. Where the contract outcome cannot be measured reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

4. Turnover Turnover recognised in the income statement is analysed as follows:	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Rendering of services to the parent company	34,040,276	28,085,708
Rendering of services to waste producers	1,113,796	1,330,107
	35,154,072	29,415,815

Turnover by geographical area:	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
United Kingdom	35,154,072	29,415,815
Turnover	35,154,072	29,415,815

5. Operating Profit This is stated after charging:	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Research and development costs written off	6,143,236	4,856,718

6. Auditor's Remuneration RWM paid the following amounts to its auditor in respect of the audit of the financial statements and for other services provided to RWM.	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Audit of the financial statements	19,000	22,000

No non-audit services have been provided by RWM's auditor during the period.

7. Staff Costs and Directors' Remuneration

7.1 Staff Costs	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Wages and salaries	10,757,424	9,719,524
Social security costs	1,278,756	1,150,859
Other pension costs	1,613,808	1,480,659
	13,649,988	12,351,042

Included in other pension costs is £1,613,808 (2018: £1,480,659) in respect of defined benefit schemes.

The average monthly number of employees during the reporting period was made up as follows:	Year ended 31 March 2019	Year ended 31 March 2018
	Number	Number
Research and development	62	62
Siting & Engagement	17	14
Administration	49	41
	128	117

7.2 Directors' Remuneration	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Directors' remuneration	845,737	648,731
Employer pension contributions	126,043	105,103
Number of directors accruing benefits under: Defined benefit schemes	4	4

7.3 Highest Paid Director In respect of the highest paid director	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Aggregate remuneration	209,105	203,585
Employer pension contributions	36,880	36,458

8. Taxation	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
UK Corporation tax	-	-

9. Trade Creditors

Trade creditors are non-interest bearing and are normally settled no later than on 30 day terms. Other creditors are non-interest bearing and have an average term of 1 month.

10. Obligations under Operating Leases On 26 July 2016 RWM entered into a lease agreement for the contract hire of a pool car. This agreement is for a fixed term of 36 months and a total mileage of 30,000 miles, after which an excess mileage charge shall apply.	Less than 1 year	2 - 5 years	More than 5 years
	£	£	£
Future minimum lease payments	973	-	-

11. Financial Instruments

The financial assets and liabilities of RWM consist of trade debtors and trade creditors that arise directly from RWM's operating activities.

12. Authorised, Issued and Called up Share Capital	Year ended 31 March 2019	Year ended 31 March 2018
	£	£
Authorised Ordinary shares of £1 each	1	1
Allotted, called up and fully paid Ordinary shares of £1 each	1	1

RWM has one class of ordinary share. Ordinary shares carry with them voting rights, but they do not have any rights to any fixed income or have any other preference attached to them. No share-based payment arrangements existed during the reporting period.

13. Pensions and other Post-employment Benefits

Pension benefits are provided through the Civil Service Pension Scheme Arrangements. From 30 July 2007, civil servants may be in one of four defined schemes: either a 'final salary' scheme (Classic, Premium or Classic Plus); or a 'whole career' scheme (Nuvos). From 1 April 2015 the majority of staff transitioned towards a new 'whole career' scheme (Alpha) for the purposes of accruing future pension benefits. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus, Nuvos and Alpha are currently increased annually in line with the Pensions Increase Legislation.

Employee contributions for all schemes are set at the rate shown in the table below:

Annual Pensionable Earnings (full-time equivalent basis)	Members who are in Classic or who moved into Alpha from Classic	All other members
	2019 Contributions	2019 Contributions
Up to £21,636	4.60%	4.60%
£21,637 to £51,515	5.45%	5.45%
£51,516 to £150,000	7.35%	7.35%
£150,001 and above	8.05%	8.05%

Benefits in Classic accrue at the rate of 1/80th of the final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic Plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 worked out as in Premium.

In Nuvos and Alpha a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the members' earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with the Pensions Increase Legislation. In all cases members may opt to give up (commute) pension for lump sum up to the limits set up by the Finance Act 2004.

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of Classic, Premium and Classic Plus, 65 for members of Nuvos, or the latest of 65 or the member's State Pension Age for members of Alpha.

Further details about the Civil Service pension arrangements can be found at the following website www.civilservice.gov.uk/pensions

14. Other Related Party Transactions

During the course of the reporting period RWM 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:

Year ended 31 March 2019:	Sales to related party	Purchases from related party	Amounts owed by related party	Amounts owed to related party
	£	£	£	£
Nuclear Decommissioning Authority	34,040,276	2,273,251	144,884	–
Wholly owned subsidiaries of NDA	388,729	74,612	143,005	–
Total related parties	34,429,005	2,347,863	287,889	–

Year ended 31 March 2018:	Sales to related party	Purchases from related party	Amounts owed by related party	Amounts owed to related party
	£	£	£	£
Nuclear Decommissioning Authority	28,085,708	932,584	430,996	–
Wholly owned subsidiaries of NDA	418,483	498,266	60,771	–
Total related parties	28,504,191	1,430,850	491,767	–

To ensure consistency with other reporting entities in the NDA group, Site Licence Companies owned by Parent Body Organisations operating under contract with NDA are no longer treated as group undertakings. For 2018 this has restatement of related party transactions.

15. Ultimate Group Undertaking

RWM's immediate and ultimate parent undertaking is Nuclear Decommissioning Authority. RWM is included within these group accounts which are publicly available. Copies of the group accounts are available from <https://www.gov.uk/government/organisations/nuclear-decommissioning-authority>.



Getting in touch

To learn more about the UK's mission to deal with radioactive waste

Email gdfenquiries@nda.gov.uk

Telephone **03000 660 100**

Follow us on Twitter

[@rwm_gdf_uk](https://twitter.com/rwm_gdf_uk)

[@rwm_community](https://twitter.com/rwm_community)

or visit the campaign website

geologicaldisposal.campaign.gov.uk