



# **Annual Report and Financial Statements 2019-20**

RWM's vision is to create a safer future by managing radioactive waste effectively, to protect people and the environment.

## Corporate Information

### **Directors<sup>1</sup>**

Malcolm Morley OBE (Chair)  
Mike Bowman  
John Corderoy  
Peter Lock  
Corhyn Parr  
David Prout CB  
Claes Thegerström  
Andrew van der Lem  
Karen Wheeler CBE

### **Secretary**

Matthew Shaw

### **Auditor**

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

### **RWM Registered Office**

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Harwell Oxford  
Didcot  
OX11 0GD

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<sup>1</sup> Current Directors as at the date of this Report – please see the Directors Report for Directors serving during the year.

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## Strategic Report

The Directors present their strategic report for the year ended 31 March 2020.

### Principal activities

During the period, Radioactive Waste Management Limited (the Company) acted under contract with the Nuclear Decommissioning Authority (NDA) to provide services in relation to the development of a geological disposal facility (GDF) in the UK context, and with waste producers to provide advice on radioactive waste management solutions.

### Business model

NDA is responsible under the Energy Act 2004 for the clean-up of the UK's publicly-owned, civil nuclear legacy sites including management of higher activity radioactive waste. It is also responsible for implementing Government Policy on long term management of radioactive waste.

RWM is the subsidiary of the NDA with responsibility for delivering one of the most important and challenging environmental infrastructure programmes in the UK – a geological disposal facility (GDF) for higher activity radioactive waste. It is also responsible for providing expert advice and guidance on radioactive waste management solutions. Its contribution to the UK will have a positive impact for generations to come.

RWM's approach, in line with Government and NDA policy, is to work with communities to explore how a GDF could make a long term positive contribution to the fulfilment of their vision for their community and place. To this end RWM has produced a suite of publications about the GDF, how potential sites would be evaluated and how it will engage with communities. RWM has used these documents to guide how it has engaged with communities and this report provides details of the progress that it has made.

RWM has also continued to support the NDA and radioactive waste producers, to proactively manage the UK's higher activity radioactive waste inventory. This is part of the NDA's integrated waste management approach and determines how best to retrieve, condition and package wastes now so that they are suitable for safe and secure disposal later, delivering permanent long - term safety as well as substantial savings for the UK taxpayer.

The general principle adopted by the Company in its organisational development is that the Company will operate as a lean intelligent customer organisation utilising the supply chain to provide the different skills and resources required.

Delivering one of the UK's most important and challenging environmental infrastructure programmes demands that RWM continues to evolve organisationally. Whilst the science, technology and safety foundations on which it was created remain vitally important, as an organisation, RWM needs to continue to evolve as a high performing community focused delivery organisation. This has been a key focus for the Board and the Executive Team during the year.

It is vital that RWM has the right skills and competencies to develop enduring relationships with communities and its diverse external stakeholders and to work effectively with its supply

chain on the preparation, design and construction of a GDF. As the GDF has moved from policy development to delivery so too has RWM.

In January 2020 an Interim Transformation Director was appointed to support the evolution of RWM. This role involves looking at how RWM currently works and how its culture, processes, systems and governance, as well organisational capabilities, will need to develop further to deliver its mission.



## Strategy

The Company's vision is a safer future by managing radioactive waste effectively, to protect people and the environment. Our vision is aspirational and challenging, supported by our mission statement which is to deliver a GDF and provide radioactive waste management solutions.

RWM has four core values which describe the kind of organisation it strives to be:

**Safe:** RWM is committed to achieving the highest standards of safety, security and environmental protection.

**Professional:** RWM is an expert in the field, acting with integrity and efficiency to deliver the best solutions.

**Engaging:** RWM is open and communicates in a straightforward way that enhances understanding and encourages engagement and builds trusting relationships.

**Learning:** RWM continuously learns from others, and builds and shares knowledge.

In order to achieve our vision within the context set by our strategic drivers and in a manner consistent with our values, the Company has adopted the following corporate strategy.

- Work with the NDA to deliver an Integrated Waste Management Strategy for higher activity radioactive waste.

We will use our expertise to support development and implementation of an integrated programme for the management of higher activity waste.

- Deliver a programme for implementation of geological disposal in the UK in line with government policy.

We will deliver a comprehensive programme for the implementation of geological disposal, covering higher activity radioactive waste from legacy and new nuclear build activities. Based on that programme, we will advise on waste management costs and timescales.

- Engage with stakeholders to raise awareness and identify communities willing to participate in the process for siting a GDF set out in government policy.

We will develop and implement a comprehensive engagement programme to raise awareness and provide information nationally about geological disposal. Building on that, we will engage at the local level with stakeholders and communities to provide information on geological disposal and the benefits it could bring to communities.

- Engage proactively at an early stage with waste producers to develop and deliver cost-effective waste packaging solutions suitable for eventual disposal.

We will share knowledge and promote good practice and innovation in retrieving, treating and storing wastes prior to disposal. We will provide robust advice on the disposability of proposed waste packages.

- Continue to engage with the regulators to ensure we have the necessary capability, organisation, resources and arrangements in place to apply for and hold environmental permits and a nuclear site licence, ahead of the time we need to apply for them.

We will build on arrangements for the regulatory scrutiny of our work programme. This includes GDF design and safety case, disposability assessment and organisational development.

- Gain the necessary financial and land-use planning approvals for a GDF.

We will develop and gain approval of business cases to secure the finance required and obtain Development Consent Orders for land-use planning approval.

- Develop and maintain RWM as a high performing organisation and provide the right environment to get the very best out of our people and with the skills and expertise to deliver our programme.

The nature of our programme is such that the specific capabilities and resources required at different stages of the programme will change. To accommodate these changes we make extensive use of the supply chain. To do this effectively we will ensure we have core knowledge within the organisation covering major programme delivery, communications and engagement and the technical and safety basis for

geological disposal. We will provide a workplace that embraces equality, diversity and inclusivity.

- Develop and maintain our geological disposal concepts to underpin waste packaging advice and provide a basis for the siting and development of a GDF.

We undertake scientific and engineering work to support development of geological disposal concepts. This reflects changes to the radioactive waste inventory and the understanding gained through our research, development and disposability assessment programmes.

- Benefit from the exchange of knowledge and expertise through co-operation with overseas waste management agencies and other relevant programmes.

We establish long term relationships with our overseas counterparts through both formal and informal mechanisms. We aim to transfer technology and knowledge to help reduce project risk and avoid unnecessary costs.

## Business performance

### 1. Implementing GDF Policy

RWM has taken significant steps forward over the last 12 months. The National Policy statement for Geological Disposal was finalised, and RWM has been able to step up its work to find a suitable site and willing community, by publishing its approach for evaluating potential sites for a GDF.

RWM is now in discussions with a number of individuals and organisations interested in learning more about hosting a GDF and the opportunities for their community.

In parallel, it has been working on the underpinning planning and preparation for the next phases of the GDF, this includes refining our plans for those future phases.

### National Policy Statement

Following legislation in March 2015 that saw a GDF defined as a Nationally Significant Infrastructure Project, UK Government developed and consulted on a National Policy Statement (NPS) for Geological Disposal Infrastructure. RWM provided evidence to the Department for Business, Energy and Industrial Strategy (BEIS) Select Committee, who were considering the draft NPS.

The final NPS was laid in Parliament in July 2019 and designated in October 2019. The NPS will be used as the primary basis for the Planning Inspectorate and the Secretary of State to examine and make decisions on any future development consent applications for a GDF in England.

The publication of the NPS was a crucial milestone which triggered the start of the siting process for a GDF in the UK.

## Community engagement and site evaluation

In the UK, RWM's approach is to find a suitable site and a community that is willing to host a GDF. Hosting a GDF will bring many benefits for the host community - its construction and operation will create substantial numbers of skilled jobs and training opportunities for decades, as well as other significant investment opportunities aligned to the community's own, long-term growth vision.

Following a public consultation which ended in April 2019, RWM published its final approach to evaluating potential GDF sites and how it will establish whether a site is suitable.

During 2019, RWM started talking with people and communities across the country to help them find out more about the opportunities this long term investment programme could offer them, so they can decide whether their community might be interested.

The next step is for those interested parties to take their discussions into the public domain by forming a Working Group<sup>2</sup>.

## Planning delivery of the GDF

Over the past year, RWM has also worked to ensure that the long term plans for the GDF programme are well established.

An overall Programme Business Case has been developed and approved by HM Treasury which ensures that the GDF programme, which is on the Infrastructure and Projects Authority's (IPA) Government's Major Projects Portfolio (GMPP), has the remit and funding needed to proceed.

RWM also obtained approval for business cases covering the siting project and community investment funding, which will be required as soon as local communities enter into a siting partnership with it.

## 2. Waste Management

In parallel with RWM's key mission to deliver geological disposal, it is also working proactively with waste producers, planning for and delivering waste management solutions.

This work is carried out with and for the waste producers, and forms part of an integrated waste management programme to support higher activity waste (HAW) inventory management. Our work ensures that safe, proportionate and cost-effective solutions are applied to store and dispose of existing HAW, which are compatible with final disposal in a GDF. Highlights in 2019-20 include:

- Completion of the first records assessments for Sellafield and Dounreay. The management of HAW being generated today from generation through to disposal is a long term undertaking. It is vitally important that the right information about the waste is captured, retained, and that it will be accessible to future users to support disposal of the waste to a GDF. RWM works with waste producers to determine the information that

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<sup>2</sup> Government policy details the roles the parties engaged in the Siting Process and how community representation is expected to evolve [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/766643/Implementing\\_Geological\\_Disposal\\_-\\_Working\\_with\\_Communities.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/766643/Implementing_Geological_Disposal_-_Working_with_Communities.pdf)



needs to be retained and supports the NDA estate through independently assessing waste package records generated by Site License Companies.

Completing the first assessments for Sellafield and Dounreay legacy waste is an important part of this multi-year programme and RWM's assessments provide confidence that the right information about the waste has been captured in a form that can be used to support disposal in the future.

- Support for the development of a new concrete waste container by Magnox, which is vital to ongoing waste retrieval at Magnox sites. The nuclear industry continues to innovate and seek improvements to the way radioactive waste is treated, conditioned, and packaged for disposal. Magnox are pursuing the development of a new design of waste container to support their ongoing decommissioning activities.

Magnox and RWM have worked together through a process of staged assessments of this new container design to identify and manage risks to their eventual disposal in a GDF. The Magnox concrete box is an evolution of an existing design which contains a number of novel features and has been proposed for use with a much wider range of decommissioning wastes. After successfully completing assessments, RWM now anticipates that Magnox will present their final submission for RWM assessment in April 2020.

- Establishing the disposability case to enable transfer of plutonium products from Atomic Weapons Establishment (AWE) to Sellafield, a major NDA milestone that will support the management of historic wastes at AWE sites.
- Provision of advice on disposability of oxide fuels to support NDA and Sellafield Limited on decision making for reprocessing priorities and the strategy for long term fuel storage in advance of THORP closure – to help make the best use of this unique UK asset as it approaches the end of its operational life.

RWM 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 year, more than 95% of its 30 assessments were delivered early or to the agreed date.

### 3. Technical Programme

As part of our technical programme, we carry out ground-breaking research and work closely with UK academia. We also work in close collaboration with sister organisations like Sweden, Finland, and Canada to support the GDF programme and waste management delivery. This approach ensures that the organisation's work is robust, evidence-based, and is guided by best-practice, with lessons learned from the past.

This year, RWM 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 the GDF, the operation of the facility, and safety after its closure.

These 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, as it looks to ensure that radioactive materials packaged today will not need to be repackaged in the future. They are also used to assess the suitability of potential GDF sites.

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

In 2019-20, RWM also led a number of projects which are helping to guide its work for the future:

- It established the Research Support Office alongside 13 Universities, reinforcing its relationships with academia and leveraging this key UK capability in support of the overall GDF programme.
- It completed a large-scale laboratory programme to demonstrate the effectiveness of its borehole sealing technology using a 20m long vertical Perspex simulated borehole. RWM successfully demonstrated its capability to regulators and has started its site demonstration programme with a survey of the Harwell HW3 borehole in preparation for a sealing demonstration next year. This work is crucial to RWM's future permissioning of prospective site borehole drilling as it will need to demonstrate that it can seal the boreholes after use.
- It also published findings of a technology transfer study with Waste Isolation Pilot Plant (WIPP) New Mexico, USA and the world's first operational GDF. This included lessons learned and applicable knowledge and technology that could support the UK's GDF programme.

RWM's plans are now in place 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.

#### 4. Developing an effective Delivery organisation

RWM has been tasked by government to deliver one of the most important and challenging infrastructure programmes in the UK. So it is vital that we develop into an effective delivery organisation.

It is working on a transformation programme which will build additional capabilities and expertise, whilst retaining core technical competencies. During 2019-20, RWM has progressed organisational development in three key areas:

- Ways of working – RWM has assessed the processes, systems and governance needed to deliver the RWM mission, and outlined the new organisational structures and operating models to deliver current and future phases of its mission.
- Capabilities – RWM has scoped the new capabilities it needs. Its top priorities are the capabilities to develop enduring relationships with communities and external stakeholders; commercial capability to procure and manage our supply chain to work on

the preparation, design and construction of the GDF; programme management capability for managing a major complex and long term programme; further technical and research expertise for design, engineering and construction of the GDF.

- Culture - RWM has diagnosed which aspects of its leadership and culture it needs to address, and has developed a change plan, which is already being implemented.

In January 2020 RWM appointed a Transformation Director to work with all parts of the organisation and take forward the organisational transformation and development programme.

In 2019, RWM participated in the NDA group-wide Equality, Diversity, and Inclusion survey. The organisation's results showed improvement in nearly all areas for, with mental health and wellbeing leading the way. RWM is also increasingly challenging the status quo and finding innovative ways of working – and there is more we can do through our work culture to keep improving.

## 5. Corporate Target Performance

NDA as shareholder approved RWM's Operating Plan, including 10 Corporate Targets, as the basis against which performance of the Company was monitored and reported to the Board. At year end, nine of the ten targets had been fully completed and confirmed by an NDA Audit team.

Delivery of one Corporate Target: 'Implementation of Community Engagement and Site Evaluations' was reported as 70% complete, with a milestone in relation to formation of Working Groups not met. The need to raise awareness, engage widely and move at the pace of individual interested parties is recognised as critical in delivery of a GDF that can ultimately carry the necessary public support. Early focus has been on increasing awareness and building support. Individual discussions will be allowed to take the time required to support formation of successful Working Groups.

## 6. Financial Performance

Financial performance is monitored at project level with a particular emphasis on full year forecasts to ensure that action can be taken to optimise in-year delivery through portfolio management. Full year delivery performance against the quarters 2 and 3 expenditure forecast benchmarks of 10% and 5% respectively was excellent at 2.6% and 0.2%.

Against a total NDA funding line of £43.1m, with other income of £1.0m, the 2019/20 turnover was £44.1m. This represents 95.8% utilisation of available funding. Additional scope was identified for delivery before the end of March 2020, in Technical and Waste Management, but this did not prove sufficient to offset the projected under spend.

### Principal risks

The Company's risks are reviewed every month as part of the risk management process, with oversight provided by the Audit & Assurance Committee on a quarterly basis. The Company pays particular attention to risks within the Company's control and influence. The principal risks facing the Company in the short to medium term and the associated mitigation activities are:-

- Risk: RWM fails to attract and retain communities during the siting process, as a result of RWM failing to engage effectively with communities, which may result in a failure of the current siting process.

Mitigation: Develop pipeline of 20+ communities to work with; Focus resource to drive up engagement with target wave 1 communities; Develop alternative sites based on NDA & MOD land, and use those to grow an alternative pipeline.

- Risk: The effect of Covid-19 on communities, and wider government, puts the GDF programme at greater risk, through lack of priority, commitment and funding.

Mitigation: Work with NDA and BEIS on emerging priorities post Covid-19; Consider and plan for the changes to the way we have to conduct the GDF Programme post Covid-19; Work closely with local authorities and councils, to be sensitive to their current priorities, and provide a partnership approach; Engage proactively in Spending Reviews to manage the risk of possible long term government funding reduction due to a potential British economy recession post Covid-19.

- Risk: RWM does not successfully transition into a suitable delivery body for siting & engagement, supply chain management, and GDP programme delivery.

Mitigation: Prioritise the development areas and execute the Futures Implementation Plan for each area of the business; Develop a staged approach to deliver capability for the upcoming tranches of the GDF Programme; Continue to develop the Futures Programme to ensure appropriate development across culture, capability and ways of working to enable RWM to deliver.

- Risk: RWM is unable to lead a balanced national public debate, as a result of a) successful campaigning by opposition group b) a negative event on an overseas GDF programme or c) national media engagement constraints placed upon RWM, which may result in lack of support at a national level for a GDF and / or may discourage interested communities coming forward.

Mitigation: Engage proactively with stakeholders; Implement a targeted social media strategy to ensure RWM is leading a factual and balanced debate, with comprehensive third party advocacy; Develop a rebuttal strategy; Explore options to strengthen its media and social media capability to respond and engage on social channels.

- Risk: The Technical Programme does not sufficiently address the scale and complexity for the UK's inventory for Geological Disposal causing programme delay, increased costs and the need for more than one GDF.

Mitigation: Continue ongoing assessment of the UK inventory proactively through the Letter of Compliance process and stakeholder engagement projects; Develop concept selection capability to understand capacity and volume constraints against design; Develop integrated, iterative safety with initial concept development.

- Risk: harm to RWM staff physical or mental well-being as a result of occupational exposure to Covid-19 during the current pandemic.

Mitigation: Monitoring UK and international developments and continue to engage with NDA Group response planning; Implement COVID-19 communication plan to ensure everyone at RWM is well informed; Implement Pandemic Contingency Plan to ensure adequate arrangements in place to deal with COVID-19 coordinated by COVID-19 daily call; Transition to remote working in line with government instruction; Review controls and communication on a daily basis to ensure their effectiveness through pandemic response team.

### Forward look

Throughout the last year our focus has been on raising awareness of our mission and work, engaging with people about geological disposal, and starting to drive forward the siting process. We have also been working on the foundations of scoping and planning the work we need to do, the people and capabilities we need, and building the programme for delivery.

During the next five years, we will work in partnership with communities under the more formal processes set out in the policy 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.

We will never lose sight of this project being community consent-driven and we will continue to work closely with each community to provide information, address their questions, and help develop a vision and investment plan. Within this five year period, the plan is to work alongside willing communities and ultimately recommend two sites for further investigation.

The next phase will involve borehole investigations to gather data on the geological properties of two sites. So we will also be preparing the ground: supply chain development, safety cases and permissions to enable and support the next stage of investigation.

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

A significant development within NDA is the introduction of an Integrated Waste Management programme. We will have a key role in supporting that programme and providing optimum waste management solutions for the UK.

### Equality, Diversity and Inclusion (EDI)

The task ahead of RWM is considerable. To do this effectively RWM has spent time building its team, increasing headcount by 18% (30 people) during 2019-20. RWM is now closer to having the necessary resources in place for it to deliver on key activities, and it is working effectively 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 its work programme over the next few years.

RWM must also continue to develop our values along with a strong culture. 'Safe' is now an overriding value, which reflects our commitment to achieving the highest standards of safety, security and environmental protection.

RWM is committed to taking necessary actions to ensure our employees feel fully supported so they can give their best to their roles. During the year, RWM achieved a Silver Award as an Investors in People (IIP) employer following reaccreditation in February 2020. The assessor commended RWM's achievement of the Silver Award in the context of a challenging period of growth and complexity, with more than 70% of current RWM staff having been with the organisation for less than two years.

The IIP report reflected that a series of employee led initiatives have seen significant improvements to Equality, Diversity and Inclusion (ED&I) and mental health support, with positive engagement across the business with ED&I initiatives.

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.

The RWM gender pay gap data for 2019 shows that women's mean hourly rate was 18.3% lower than the men's rate. The total gender diversity of RWM's staff is 68% male and 32% female with the quartile data reported as below:

Quartile Bands	% Male	% Female
Upper	79	21
Upper Mid	71	29
Lower Mid	68	32
Lower	47	52

There has already been a significant amount of work to address and ultimately close the Gender Pay Gap. We work with our Prospect Trade Union colleagues to regularly review equal pay and as part of the 2018 RWM pay award, agreed in early 2019, we targeted additional awards to begin addressing the Gender Pay Gap. However, the data clearly show that we have more work to do. Working with Prospect Trade Union, we will continue to focus on this during 2020-21, as part of our wider annual pay negotiations.

By order of the Board



Malcolm Morley OBE  
Chair, RWM Board  
18 August 2020

## Directors' report

Registered No. 08920190

The Directors present their report for the year ended 31 March 2020.

### RWM Directors

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

Malcolm Morley OBE (Chair)  
Mike Bowman  
Melanie Brownridge (resigned 30 April 2019<sup>3</sup>)  
John Corderoy  
Peter Lock  
Ann McCall (resigned 18 December 2019)  
Bruce McKirdy (resigned 31 March 2020)  
Corhyn Parr (appointed 1 May 2019)  
David Prout CB  
Claes Thegerström  
Andrew van der Lem  
Karen Wheeler CBE

### Dividends

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

### Financial instruments

RWM finances its activities predominantly with funding from NDA (97%), supplemented by income received from waste producers in exchange for the provision of transport and packaging advice, and research grants (3%).

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.

### Events since the balance sheet date – Covid-19 impact assessment

Although it is difficult to predict how long the Covid-19 pandemic will continue, so far, the RWM business has adapted and coped extremely well to this very challenging situation, and its staff had a near seamless transition to working from home.

However, the pandemic will affect our plans and delivery in this coming year, and perhaps for longer, as the full impact unfolds. While our current focus is on the health and wellbeing of our people, business continuity, and compliance with all government and NDA Group

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<sup>3</sup> After the period of this report

guidance, we are also assessing the potential impact on our programme of work, and wider plans. We will reflect the latest plans in updated versions of our published Business Plan.

While the future looks uncertain, our mission remains clear and is still critically important for the very long term. We remain confident that RWM stands in a strong position to continue to take this mission forward for the country.

## Employees

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.

## Directors' liabilities

During the year the Company had in force indemnity insurance in favour of one or more Directors of the Company subject to the conditions set out in section 236 of the Companies Act (2018/19: same).

## Going concern

RWM's business activities together with the factors likely to affect its future development are described in the Strategic Report on pages 4 to 15. In particular, due to RWM's reliance on Government funding through NDA, the Directors have considered: the outcome of the 2019 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 will 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 and its staff have adapted and coped extremely well to the very challenging situation, with a near seamless transition to working from home. However, the pandemic will affect our plans and delivery in this coming year, and perhaps for longer, as the full impact unfolds. While our current focus is on the health and wellbeing of our people, business continuity, and compliance with all government and NDA Group guidance, the directors have also assessed the potential impact on our programme of work, and wider plans. While the future looks



uncertain, our mission remains clear and is still critically important for the very long term. The directors' remain confident that RWM stands in a strong position to continue to take its mission forward for the country.

### Matters covered in the Strategic Report

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (accounts and reports) Regulations 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Strategic Report instead. These matters relate to business performance, principal risks and forward look.

### 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 RWM and of the profit and loss 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, and;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

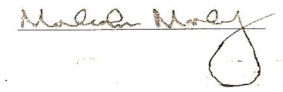
The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain RWM's transactions and disclose with reasonable accuracy at any time the financial position of RWM and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of RWM and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### 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 RWM'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 RWM's auditor in connection with preparing their report) of which RWM'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 RWM's auditor is aware of that information.

By order of the Board

A handwritten signature in black ink, appearing to read "Malcolm Morley", with a large, stylized flourish extending downwards from the end of the signature.

Malcolm Morley OBE

Chair, RWM Board  
18 August 2020

## Independent Auditor's report

### Opinion

We have audited the financial statements of Radioactive Waste Management Limited ('RWM') for the year ended 31 March 2020 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 state of RWM's affairs as at 31 March 2020 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 RWM 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 RWM'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 Report and Financial Statements, 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 RWM 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 17, 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 RWM'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 RWM or to cease operations, or have no realistic alternative but to do so.

#### Auditor's 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 RWM'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 RWM'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 RWM and RWM's members as a body, for our audit work for this report, or for the opinions we have formed.



Charlene Lancaster (Aug 19, 2020 16:04 GMT+1)

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

# Financial Statements 2019-20

## Income statement

for the year ended 31 March 2020

	Note	2020	2019
		£	£
Turnover	4	44,087,258	35,154,072
Other external charges		(25,531,520)	(19,888,135)
Staff costs	5	(17,962,581)	(13,649,988)
Other operating charges		(615,826)	(1,807,827)
Other operating Income		54,295	191,878
<b>Operating profit</b>	7	<b>31,626</b>	<b>–</b>
Lease liability interest	8	(31,626)	–
<b>Profit on ordinary activities before taxation</b>		<b>–</b>	<b>–</b>
Tax on profit or loss on ordinary activities	9	–	–
<b>Profit on ordinary activities after taxation for the financial period</b>		<b>–</b>	<b>–</b>

All amounts derive from continuing operations.

The notes on pages 25 to 36 are an integral part of these financial statements.

## Statement of other comprehensive income

for the year ended 31 March 2020

There are no recognised gains or losses other than the results shown in the income statement for the year ended 31 March 2020 or the year ended 31 March 2019. Accordingly, no separate statement of other comprehensive income has been prepared.

## Balance sheet

at 31 March 2020

Company Registration No: 08920190

	Note	2020	2019
		£	£
<b>Fixed assets</b>			
Right of use asset	10	2,020,496	-
		<b>2,020,496</b>	-
<b>Current assets</b>			
Trade debtors		26,296	290,256
Amounts owed by group undertakings	14	82,324	287,889
Other debtors		943,343	843,225
Prepayments and accrued income		200,060	402,702
Cash at bank and in hand		14,528,267	8,306,780
		<b>15,780,290</b>	<b>10,130,852</b>
<b>Creditors: amounts falling due within one year</b>			
Trade creditors	11	(1,292,231)	(544,323)
Amounts owed to group undertakings	16	(923,972)	-
Other creditors including taxation and social security		(726,243)	(528,941)
Lease liability – leased office building < 1year	13	(251,280)	-
Accruals and deferred income		(12,823,251)	(9,057,587)
		<b>(16,016,977)</b>	<b>(10,130,851)</b>
<b>Net current assets</b>		<b>(236,687)</b>	<b>1</b>
Lease liability – leased office building > 1year	13	(1,783,808)	-
<b>Net assets</b>		<b>1</b>	<b>1</b>
<b>Capital and reserves</b>			
Called up share capital	14	1	1
Profit and loss account		-	-
<b>Total equity</b>		<b>1</b>	<b>1</b>

The notes on pages 25 to 36 are an integral part of these financial statements.

The financial statements on pages 22 to 36 were approved on behalf of the Board of Directors on 18 August 2020 and were signed on its behalf by:



Malcolm Morley OBE  
Chair, RWM Board

## Statement of changes in equity

at 31 March 2020

	Called up share capital	Profit and loss account	<b>Total equity</b>
	£	£	£
<b>At 1 April 2018</b>	<b>1</b>	<b>–</b>	<b>1</b>
Profit for the financial period	–	–	–
Other comprehensive income for the year	–	–	–
<b>At 31 March 2019</b>	<b>1</b>	<b>–</b>	<b>1</b>
Profit for the financial period	–	–	–
Other comprehensive income for the year	–	–	–
<b>At 31 March 2020</b>	<b>1</b>	<b>–</b>	<b>1</b>

The notes on pages 25 to 36 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 2020 were authorised for issue on the Board's behalf on 18 August 2020 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 and rounded to the nearest pound.

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 Company applied IFRS 16 Leases for the first time. This required the Company to review all known leases, and any other contracts for the supply of services that include provisions that might be interpreted as implied leases under the new standard. The nature and effect of the changes as a result of adoption of this new accounting standard is described below.

The adoption of this new Standard has resulted in the Company recognising a right-of-use asset and related lease liability in connection with all leases except for those identified as low-value; having a remaining lease term of less than 12 months from the date of initial application; or being deemed to not be a lease under IFRS16 definitions.

The Company has elected to apply the new lease definitions and criteria only to those contracts entered into after the adoption date of 1<sup>st</sup> April 2019. No prior year comparatives are therefore provided.

The lease term determined by the Company comprises non-cancellable period of lease contracts, periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option, and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

On an ongoing basis, the Company has elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less remaining and for leases of low-value assets. Such leases will be recognised on a straight-line basis through the P&L.

## Notes to the financial statements (continued)

On transition, the incremental borrowing rate applied to lease liabilities recognised under IFRS16 was 1.99%. As the company is unable to borrow funds from outside of the exchequer the HM Treasury discount rate promulgated in the PES papers is adopted.

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.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2020.

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';
- d) the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Estimate and Errors' and;
- e) the requirements of paragraph 17 of IAS24 'Related Party Disclosures'

#### 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. However, the nature of estimation means that actual outcomes could differ from those estimates.

In addition, in the process of applying the company's accounting policy with respect to leased assets, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

## Notes to the financial statements (continued)

- Determining whether a lease exists – Management have exercised judgement when reviewing agreements to determine whether or not a lease exists. Management have considered whether an agreement, in substance, grants the company the right to direct the use of the asset and allows the company to receive substantially all of the economic benefit of the asset
- Determining the lease term of contracts with renewal and termination options – Company as lessee
- The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease, or any periods covered by an option to terminate the lease. When the company has the option to extend or terminate a lease, management uses its judgement to determine whether or not an option would be reasonably certain to be exercised. Management considers all facts and circumstances including their past practice
- Estimating the incremental borrowing rate – Where the company cannot readily determine the discount rate implicit in the lease, the incremental borrowing rate has been used to measure lease liabilities. The company is unable to borrow outside of the exchequer and therefore the incremental borrowing rate is set by treasury via the NDA Group.

### 3.3 Significant accounting policies

#### a) Functional and presentational currency

The functional and presentational currency is UK pounds sterling.

#### b) Intangible assets

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

#### c) 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.

The Company depreciates right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

## Notes to the financial statements (continued)

### d) Leased assets

#### The Company as a lessee:

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. To apply this definition the Company assesses whether the contract meets three key evaluations which are whether:

- The contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Company;
- The Company has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract, and;
- The Company has the right to direct the use of the identified asset throughout the period of use.

#### Measurement and recognition of leases as a lessee:

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet.

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate as dictated by HM treasury.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

## Notes to the financial statements (continued)

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

### e) 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.

### f) Financial instruments

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

### g) 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.

### h) Cash at bank and in hand

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

### i) 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.

## Notes to the financial statements (continued)

### j) 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 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation <http://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 £2,490,567 (2019: £1,613,809) represents contributions payable to these schemes by RWM at rates specified in the scheme rules. No contributions were outstanding at 31 March 2020 (2019: £nil).

### h) Revenue

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.

#### 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 time bookings and sub-contractor charges recoverable, and invoiced monthly.

### 4. Turnover

Turnover recognised in the income statement is analysed as follows:

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
Rendering of services to the parent company	43,014,562	34,040,276
Rendering of services to waste producers	1,072,696	1,113,796
	44,087,258	35,154,072

All turnover relates to activities undertaken within the United Kingdom

## Notes to the financial statements (continued)

### 5. Staff costs and directors' remuneration

#### 5.1 Staff costs

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
Wages and salaries	13,917,957	10,757,424
Social security costs	1,554,057	1,278,756
Other pension costs	2,490,567	1,613,808
	17,962,581	13,649,988

Included in other pension costs is £2,490,567 (2019: £1,613,808) 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 2020	Year ended 31 March 2019
	Number	Number
Research and development	80	62
Siting & Engagement	19	17
Administration	74	49
	173	128

#### 5.2 Directors' remuneration

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
Directors' remuneration	937,264	845,737
Employer pension contributions	147,950	126,043
Number of directors accruing benefits under defined benefit schemes	4	4

#### 5.3 Highest Paid Director

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
In respect of the highest paid director:		
- Aggregate remuneration	210,068	209,105
- Employer pension contributions	46,313	36,880

## Notes to the financial statements (continued)

### 6. Operating profit

This is stated after charging:

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
Research and development costs written off	6,069,368	6,143,236
Depreciation of right of use asset	199,829	nil
Lease expenses	671	2,683

### 7. 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 2020	Year ended 31 March 2019
	£	£
Audit of the financial statements	19,475	19,000

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

### 8. Lease liability interest

The finance charge in relation to the leased Right of Use Asset amounted to £31,626.

### 9. Taxation

	Year ended 31 March 2020	Year ended 31 March 2019
	£	£
UK Corporation tax	–	–



## Notes to the financial statements (continued)

### 10. Fixed assets (right of use assets)

The Company has entered into an under-lease with NDA in relation to its occupation of part of the ground and first floor of Building 329, Harwell Science and Innovation Campus for a fixed term ending in October 2027.

This lease is reflected on the balance sheet as a Right of Use Asset as summarised below.

Right of Use Assets	Land and Buildings	Total
	£	£
Cost at 1 <sup>st</sup> April 2019	-	-
Additions	2,220,325	2,220,325
Cost at 31 <sup>st</sup> March 2020	2,220,325	2,220,325
Depreciation at 1 <sup>st</sup> April 2019	-	-
Charged in year	(199,829)	(199,829)
Depreciation at 31 <sup>st</sup> March 2020	(199,829)	(199,829)
Net Book Value as at 31 <sup>st</sup> March 2020	2,020,496	2,020,496

### 11. 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.

### 12. Financial instruments

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

### 13. Lease liabilities

The Company applied IFRS 16 Leases for the first time during 2019/20 for those contracts entered into after the adoption date of 1<sup>st</sup> April 2019. As a result no prior year comparatives are therefore provided.

During the financial year the Company reviewed all known leases, and any other contracts for the supply of services that included provisions that might be interpreted as implied leases under the new standard.

The only lease identified as a Right of Use Asset with an associated Lease Liability was an under-lease between the Company and NDA in relation to its occupation of part of the ground and first floor of Building 329, Harwell Science and Innovation Campus for a fixed term ending in October 2027. This lease is reflected on the balance sheet as a lease liability as summarised below.

## Notes to the financial statements (continued)

The only low value or short-term lease identified during the review was for a leased vehicle whose term expired at the end of June 2019. Lease charges in 2019/20 amounted to £671.

Lease Liability	Land and Buildings	Vehicles	Total
	£	£	£
As at 1 <sup>st</sup> April 2019	-	-	-
Additions	(2,220,325)	-	(2,220,325)
Finance Charge	(31,626)	-	(31,626)
Payments	216,863	-	216,863
As at 31 <sup>st</sup> March 2020	(2,035,088)	-	(2,035,088)
The Lease Liabilities are presented in the Balance Sheet as:			
Lease liability – leased office building > 1year			(1,783,808)
Lease liability – leased office building < 1year			(251,280)
Total			(2,035,088)

Total cash outflows from lease payments were £217,534.

The undiscounted maturity analysis of lease liabilities as 31 March 2020 is as follows:

	Less than 1 year	2 - 5 years	More than 5 years
	£	£	£
Future minimum lease payments	289,150	1,156,600	771,067

### 14. Authorised, issued and called up share capital

	31 March 2020	31 March 2019
	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	1	1
<i>Allotted, called up and fully paid</i>		
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.

## Notes to the financial statements (continued)

### 15. 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:

	<b>Members who are in Classic or who moved into Alpha from Classic</b>	<b>All other members</b>
Annual Pensionable Earnings (full-time equivalent basis)	2020 Contributions	2020 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 1/80<sup>th</sup> 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 1/60<sup>th</sup> 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.

## Notes to the financial statements (continued)

Further details about the Civil Service pension arrangements can be found at the following website [www.civilservice.gov.uk/pensions](http://www.civilservice.gov.uk/pensions)

### 16. 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 2020:

	Sales to related party	Purchases from related party	Amounts owed by related party	Amounts owed to related party
	£	£	£	£
Nuclear Decommissioning Authority	43,167,749	2,153,814	-	390,164
Wholly owned subsidiaries of NDA	747,113	1,032,230	82,324	533,808
Total related parties	43,914,862	3,186,044	82,324	923,972

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	-

### 17. 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>.