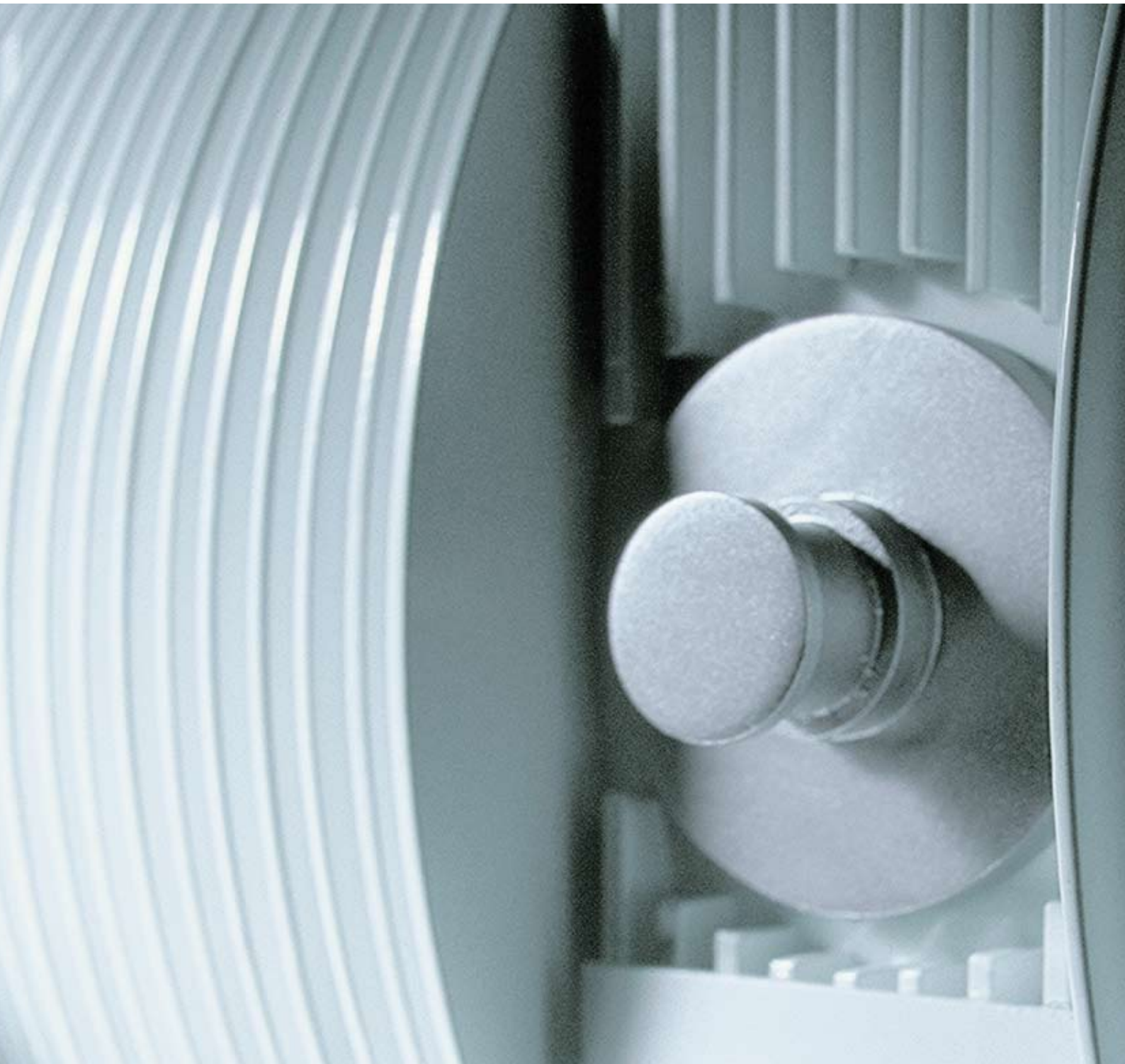




International
Nuclear Services

Delivering value from recycling

Annual Review 2008/09



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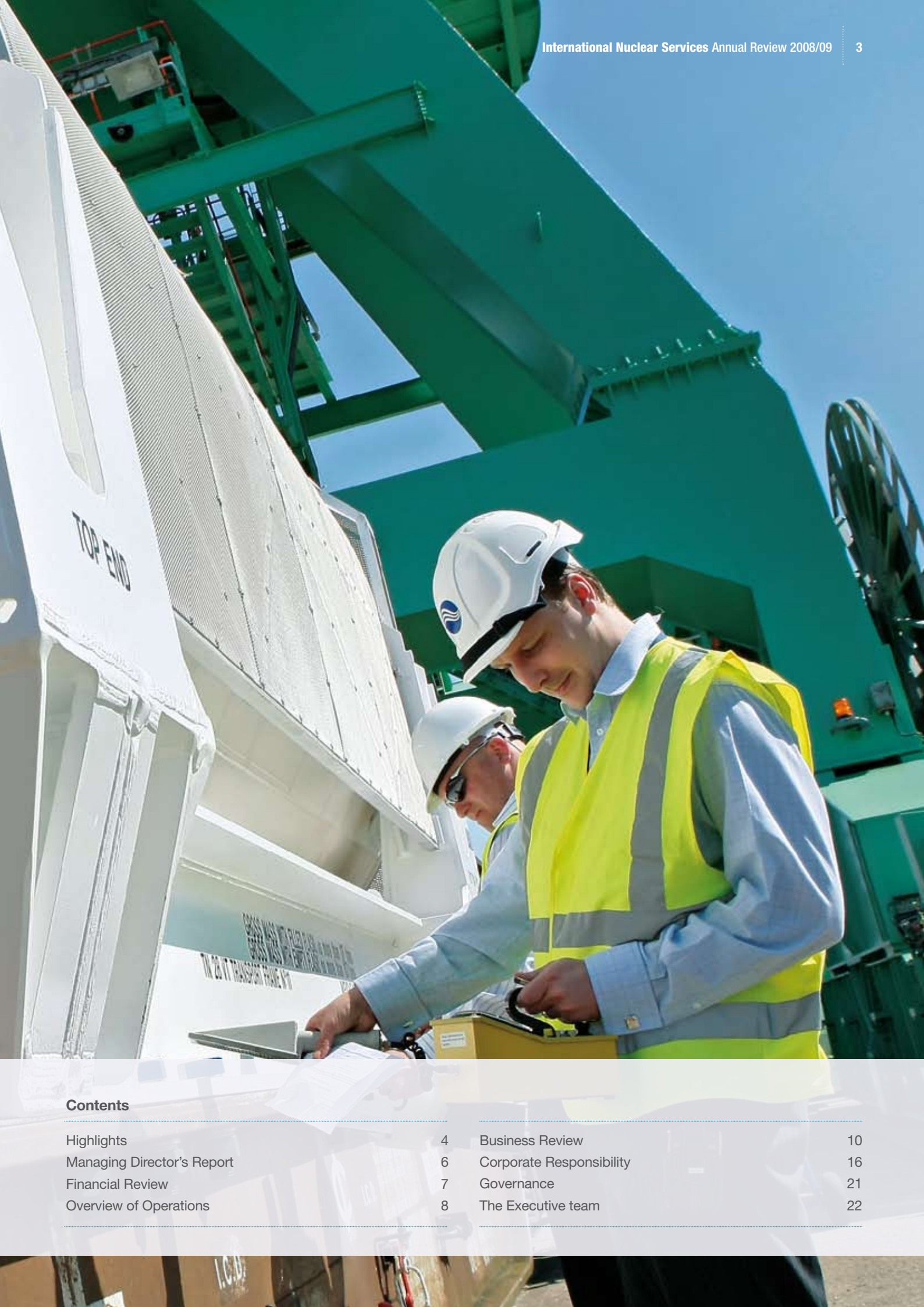
INS has had a very successful first year. We have an excellent team delivering value from recycling and generating significant contribution in support of the NDA's mission.

Mark Jervis – Managing Director

”

Welcome to the INS Annual Review 2008/09

This report provides an overview of performance for what is the maiden year of INS as a stand alone company. It paints the picture of the challenges and achievements in terms of financial, social, environment, health and safety performance.



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Highlights

International Nuclear Services Limited (INS) is a wholly owned subsidiary company of the Nuclear Decommissioning Authority. INS undertakes a dual role; as a commercial sales agency for the NDA and as the world's most experienced shipper of nuclear materials internationally. INS provides complete solutions for their irradiated nuclear fuel management and transportation needs. As the NDA's sales agent, INS manages contracts and relationships with utility customers in the UK and overseas. The income from the majority of these contracts is paid directly to the NDA and contributes to the NDA funding its operating facilities and its mission to decommission and clean-up the UK's civil public sector nuclear sites. INS has safely transported radioactive cargoes worldwide for over 40 years without an incident resulting in the accidental release of radioactivity.

£5.5m profit

Trading profit of £5.5 million on a turnover of £56 million has been achieved in our first year of trading as a direct subsidiary of the NDA.

Pacific Heron

New INF3 class vessel Pacific Heron joins the fleet.



In April 2009 uranium and waste successfully returned

to Swedish customer AB SVAFO.

The combined charitable giving of both company and staff has exceeded

£14,000.



Our subsidiary company, Pacific Nuclear Transport Ltd (PNTL) is the world's most experienced shipper of nuclear materials. The company provides complete solutions to customers, irradiated fuel management requirements, including a complete transport service, from the design of packages for the transport of nuclear materials using our dedicated fleet of ships, through storage, reprocessing and return of products and wastes to the customer. We have the proven capability to provide our customers with a range of consultancy services, strategic assessments and feasibility studies on irradiated fuel management. We also advise utility customers and government agencies on their strategic and technical options relating to the nuclear fuel cycle.

Transport

Plutonium shipped from UK to France.

96.1% recycled

Decommissioning Pacific Teal with 96.1% recycled.



A Partnering Charter between INS and Sellafield Ltd was signed on

24 March 2009.

The Charter sets out the vision and principles of both companies' working relationship.

Managed income with a value to the NDA of

£673m.

Managing Director's Report



Mark Jervis – Managing Director

I'm delighted to report that our first year in full ownership of the NDA has been successful in terms of our people, customers and income generated. Making the transition to a stand alone company has been a significant management challenge and has required the hard work and dedication of all our staff and the understanding and patience of our customers.

I am sincerely grateful for the support of all those involved in making the transition a success. In addition to the activities associated with the transition of INS ownership my focus in the first year has been on building on the long standing customer relationships of our predecessor organisations, ensuring the success of a number of complex transport operations, optimising value for the NDA from their commercial assets and ensuring the appropriate governance of INS.

Throughout the year we have sought to continually improve the service we provide to our customers and to provide complete solutions for their irradiated fuel management and transportation needs. We have also taken the opportunity to review and then reorganise a number of our customer interfaces within the Commercial Directorate. This will, we confidently expect, yield results in coming years both for improving INS efficiency and our responsiveness to customers.

The reorganisation has also resulted in the creation of a growing Business Development team tasked with seeking new income generating business for the NDA, within the bounds of their Energy Act obligations.

Our Transport Operations Directorate has completed a number of key transports of nuclear materials during the year, on behalf of our customers, and continue preparations for a ramp up in operations in readiness for coming years.

In support of our transport operations, our Technical directorate has focused on the licensing and procurement of transport packages and ships to support forthcoming High Level Waste and MOX fuel shipments.

PNTL fleet renewal is the most tangible sign of a positive and busy future for shipping operations worldwide. This year saw the taking into service of the Pacific Heron, our newest INF3 class vessel, and at the end of the year she set sail with a cargo of MOX fuel for Japan on her first operational voyage.

With two further INF3 class vessels on order we firmly intend to remain the world's leading shipper of nuclear cargoes worldwide.

It is fundamental to the INS business to be a partner to the NDA in helping to deliver their mission to clean-up the UK's civil public sector nuclear sites. We do this by putting in place and managing commercial arrangements to optimise income from the NDA's commercial assets.

This year I am very pleased to report that we managed income with a value to the NDA of £673 million.

With the support of my fellow Board members and my Executive team we have sought to apply high business standards of operation and governance. In doing so we have paid particular attention to finance, risk management, health, safety and environmental protection both in the way we operate and in our audit and assurance processes.

I am optimistic for the future of INS with opportunities to enhance the service to our customers, to grow as an organisation, to develop our people and to reward our owner.

Managed income with a value to the NDA of

£673m

Financial Review



Alaine Greaves – Finance Director

I am pleased to report excellent results for INS's first year of trading both as a stand alone company and a wholly owned subsidiary of the NDA. We manage the revenue streams from the NDA's contracts with utilities for reprocessing spent nuclear fuel, fabrication of MOX fuel and associated services. This year we recorded revenue with a value of £673 million to the NDA. In our own right as a trading entity we secured a profit of £5.5 million on a turnover of £56 million which represents a very respectable performance and ahead of forecast.

It is in the nature of the INS business that we are the custodians of very significant sums of public money and customers' capital, particularly in the latter case through our subsidiary PNTL. My emphasis in the first year has therefore been to ensure the highest standards of financial probity and to ensure that we have in place appropriate finance business systems for a stand alone small and medium-sized enterprise (SME).

We have instituted processes to ensure the protection and appropriate use of public funds both at the macro level, for example the clarification of the delegated powers, and at the micro level with the introduction of for instance enhanced controls on expenses, hospitality etc. Executive and Board monthly reviews of financial and risk management actively supports delivery against these controls.

As well as introducing enhanced controls we have carried out internal financial audits as part of our overall governance programme.

In our first year we have been audited by the National Audit Office (NAO), the NDA, customers and our own accountants. I am reassured both that our controls are robust and that we are constantly improving by the positive outputs and the learning points arising from these audits.

In the year we have embraced in shadow form the reporting requirements of IFRS including the production and auditing of a parallel set of year end accounts. In 2009/10 we will report against this standard.

Financial highlights

A secured profit of

£5.5m

on an annual turnover of

£56m

Overview of Operations

International Nuclear Services Limited (INS) as agent for its owner the Nuclear Decommissioning Authority (NDA) manages a large portfolio of high value contracts for nuclear fuel management and transport services with a wide range of utility customers in the UK and internationally.

Hinton House, UK



International Nuclear Services has two offices in the UK.

The head office is based at Hinton House, Warrington in Cheshire, where the majority of our staff are based.

Pelham House, UK



Our office at Pelham House in Cumbria is colocated with the Sellafield site and close to the Nuclear Decommissioning Authority headquarters.

Barrow, UK



International Nuclear Services also operates a dedicated marine terminal at Ramsden Dock, Barrow in Furness, Cumbria with direct rail links to the Sellafield site.

In over 40 years of operations, INS has successfully transported over 2,000 casks of nuclear materials.

Our shipments have covered more than 5 million miles safely and securely with no incidents resulting in accidental release of radioactivity.



Tokyo, Japan



International Nuclear Services Japan KK (INS Japan), based in Tokyo, manages the Japanese customer interface for our service provision to Japanese customers going back to the early days of the Japanese nuclear power programme more than 40 years ago. We are proud of our long-standing relationship with the nuclear power industry.

INS liaise directly with INS's stakeholders in Japan, including 11 utility customers, ORC and Japanese officials, on behalf of the UK team. INS understands how important it is for our customers and the public to understand and trust our business and operations and we continue to work very hard to explain our activities in order to maintain and build our relationships with our stakeholders.

Dunkirk, France



International Nuclear Services France, previously known as BNFL SA, has significant experience in the transport of nuclear materials, including engineering, logistics, the maintenance of rolling stock and communications with the public and local stakeholders.

Whilst the major focus of our activities in France is on our site in Dunkirk, we also manage transport operations and trans-shipment activities in other ports to meet the requirements of our customers.

Düsseldorf, Germany



With responsibility for Continental European Customer Relationships, the INS Deutschland office covers Customers in Germany, Switzerland, Italy, the Netherlands, Sweden and Spain.

The office maintains strong in-country relationships with the European Utility Customers and various Governmental Departments. This approach allows International Nuclear Services to be fully prepared and to take account of "local conditions" in undertaking its business. These relationships have been built up over many years.

Business Review

The company was jointly owned by Sellafield Limited and the NDA until 1 April 2008 when NDA acquired the 51% stake from Sellafield thereby making INS a wholly owned subsidiary of the NDA. The transfer took place by way of nuclear transfer schemes made by the Secretary of State for Business, Enterprise and Regulatory Reform (BERR), pursuant to section 39 of the Energy Act 2004.

INS operates its own subsidiary company, Pacific Nuclear Transport Limited (PNTL), which is the world's most experienced shipper of nuclear cargoes. INS also acts for the NDA in its joint venture partnership with VT Nuclear Group for the provision of engineering services to the Rokkasho nuclear reprocessing plant in northern Japan.

During 2008/2009 and on behalf of the NDA, INS continued to manage commitments, obligations and relationships with UK and overseas customers associated with operation of the Thermal Oxide Reprocessing Plant (THORP), the Sellafield MOX plant (SMP) and associated waste management facilities at the Sellafield site providing complete solutions for customers irradiated nuclear fuel management and transportation needs. INS continued to develop and maintain customer relationships.

In managing the associated contracts, on behalf of the NDA, contracts for services relating to reprocessing and mixed oxide fuel (MOX) with multiple Japanese and European customers, INS provides a total secured commercial revenue with a value to the NDA of some £673 million over the financial year. This commercial income from existing contractual obligations represents a significant contribution to the NDA's annual operating budget.

We safely undertook an increasing programme of nuclear shipments throughout 2008/09, including a shipment of plutonium dioxide to France and commencement of a shipment of French MOX fuel to Japan.

This latter consignment saw the first commercial voyage of a new vessel to the PNTL fleet, the Pacific Heron. A major focus for the year for INS was the preparation for the return of high level radioactive waste, from the UK to Japanese and European customers. This is programmed to take place in 2009/10. The European Shearwater vessel was retired from service in preparation for recycling.

Our focus for the coming years will be to continue to manage the commercial arrangements with our customers for irradiated fuel management and transport services, to perform our transport operations with due care for the safety of our employees, the public and the environment, and to seek new opportunities to optimise the use of NDA's assets and the skills of our staff, in order to generate additional revenue for the NDA.

1 April 2008

INS became a limited company and wholly owned subsidiary of the NDA.



Nuclear
Decommissioning
Authority

25 April

Following acceptance by PNTL of the Pacific Heron on Thursday 10 April, Thursday in Japan being an auspicious and lucky day for great decisions to be made, the Pacific Heron departed Tomano shipyard in Japan.





Recycling



International Nuclear Services provides a range of irradiated fuel management services to its customers, including irradiated fuel storage, reprocessing and MOX fuel supply. International Nuclear Services is the customer interface and manages the contracts for these services, which are provided from the Sellafield site.

International Nuclear Services is able to offer complete solutions to customers regarding their irradiated fuel management requirements, including transport to the Sellafield site, storage, reprocessing and return of products and wastes to the customer.



17 May
A shipment of plutonium dioxide which departed Sellafield by High Security Vehicles, was loaded onto the MV Atlantic Osprey in Workington port. The Atlantic Osprey arrived in Cherbourg 21 May for the short road transport to Areva's La Hague site.

Business Review

Delivering our business through excellence

INS is committed to achieve excellence in its operations and will use the principles and framework of the European Foundation for Quality Management (EFQM) Excellence model to guide its performance and progress. The EFQM model is based on nine criteria which include Management by Processes, and Continuous Learning, Innovation and Improvement.

Enabling our Business

Policy and strategy

INS Executive has undertaken a thorough strategic review of INS's business. This has resulted in revised Vision and Objectives statements, and supporting Strategies.

A comprehensive review of the Business Environment was completed and has informed the formation of the Vision and Objectives for INS.

Our vision is to deliver "Value from recycling ~ Value for clean up"

To secure this vision we will:

- Deliver additional decommissioning funding by delivering commercial revenue from the utilisation of NDA's assets and INS's expertise.
- Provide world class international nuclear transport services.

INS Values are encompassed in our partnership charter with NDA and Sellafield Ltd.

INS Values

We will:

- Act with Integrity in everything we do.
- Deliver on commitments safely and with due regard for the environment.
- Value and develop our people's talents, capabilities and leadership.
- Respect our responsibilities to our stakeholders.
- Continually learn from and support our partners.
- Celebrate the innovations and accomplishments of our people.
- Strive for continual improvement.

These values are reflected in our various policies and the integration of the vision and values will be further developed in 2009/10.

Objectives

The Key INS objectives are:

- To generate revenue from discharge of current commercial recycling contractual obligations in a professional and efficient manner, that meets our customers' and UK governmental stakeholders expectations, whilst recognising the current status of key assets.
- To operate and maintain a fleet of INF class ships to meet INS's current and new international transport obligations.
- To use our knowledge and relationships with our domestic and international customers to pursue new commercial recycling and transport business opportunities utilising existing NDA assets in order to provide further funding to support the NDA's decommissioning objectives.
- To understand the opportunities presented by UK decommissioning and clean-up, and the worldwide nuclear renaissance and progressively develop new business streams.

20 May

20 May 2008 saw the completion of a major milestone for the INS MOX Flasks and Baskets (MFB) Project. The last of five TN12/2 P packages required for the next transport of MOX to Japan (MOX3) passed its final inspection by Japanese Ministry of Land Infrastructure and Transport (JMLIT) at the AMEC 1 facility, La Hague.



31 May

John Clarke says Farewell to INS. In May INS Managing Director John Clarke left INS and moved to become the Commercial Director of the NDA.



Transport



International Nuclear Services operates a fleet of ships dedicated to the transport of nuclear materials, on behalf of Pacific Nuclear Transport Ltd (www.pntl.co.uk) and the Nuclear Decommissioning Authority (www.nda.gov.uk). All of these vessels are certified by the UK Maritime and Coastguard Agency to the appropriate classification of The International Code for the Safe Carriage of Packaged Irradiated Nuclear Fuel, Plutonium and High-Level Radioactive Wastes on Board Ships (INF Code), issued by the International Maritime Organisation (IMO).

We offer complete nuclear materials transport services for our customers worldwide. This includes providing a complete service from loading, through land transport, inter-modal transfer to appropriate vessels, marine transport, and back to land transport to final destination. This is backed up by comprehensive stakeholder management plans, regulatory interfaces and the necessary 24/7 emergency response arrangements to satisfy all requirements under international regulations.

1 June

Mark Jervis takes on his new role as MD for INS, with John Edwards stepping into the vacated Commercial Director role. Mark Jervis noting his vision:

“Together we can shape and share in a successful future for INS built on solid existing business base managed by an experienced team of professionals throughout the INS organisation.”

Business Review

Policies

Throughout our first year we strived to establish our unique identity and who we are and what we do and embed this into our policies and practices. To this aim we have developed a suite of new INS top level policies. These are:

- Environment Health & Safety
- Quality
- Corporate Governance
- Human Resources
- Financial
- Security
- Commercial
- Information Systems
- Safeguard non-proliferation and export controls

Processes

The transfer of INS to a subsidiary company of the NDA provided an opportunity to review our processes. New roles were created to develop and deliver improvements to business management processes and systems with the objective of making them appropriate to the nature and scale of the new INS.

The INS Management System has been subject to audit by LRQA. INS and PNTL are Certified to ISO9001:2000 and ISO14001:2004 with the last surveillance audit being completed in July 2008. The auditors confirmed that INS and PNTL management systems at both Risley and Pelham house continue to be maintained and improved. No nonconformities of any kind were raised.

Continuous Improvement

INS has started down the road of business excellence and we recognise that we have further work to do. However, we are fully committed to a future of company growth through continuous improvement.

Risk Management

INS has a structured process for identifying, assessing and responding to risks, which operates at all levels of the business.

The INS Board is ultimately responsible for risk management, which includes the risk governance structure and the maintenance of an appropriate internal control framework. The INS Executive has the responsibility to manage risk on behalf of the Board. Risks can either be threats to the INS business or opportunities – both are captured by the risk management process. Risks are identified at project, Directorate and Executive levels using a consistent process which records the risks, assesses the impact or benefit, determines an appropriate course of action to mitigate the threat or exploit the opportunity. Risks are recorded in risk registers with lower level risks being escalated to the higher level registers. The risk registers and progress on mitigation plans are reviewed typically on a monthly basis and risk is a standing item on the Directorate and INS Executive meetings. The INS Board reviews the top level risks at every meeting.

Our Quality policy is to enhance customer satisfaction, through continuous improvement, operational excellence and delivery of quality products.



11 June

Saw the arrival of PNTL's latest addition to the fleet, the Pacific Heron into her home port of Barrow. Followed in August by the completion of the decommissioning of the M.V. Pacific Teal which had taken just over 7 months and 96.1% of its weight reused or recycled.

August

All the Swedish SVAFO fuel successfully reprocessed and witnessed by the customer. A key milestone achieved as the most recent overseas metal fuel to be delivered to Sellafeld.

96.1%



Specialist Services



International Nuclear Services has extensive and proven expertise in irradiated fuel management and nuclear material transportation. This expertise enables us to offer a wide range of specialist services to our customers.

We have the capability to offer our customers a range of consultancy services, strategic assessments and feasibility studies on irradiated fuel management. We also advise utility customers and government agencies on their strategic and technical options relating to the back end of the fuel cycle.

INS has significant experience of package selection, design, engineering, and full flask approvals and licensing of complex transport flasks and operations. Our dedicated team of experts provide a complete range of flask services that meet the appropriate regulations and our customers' requirements.



September

In September after completing her successful firing trials, the Pacific Heron played host to the local dignitaries of Barrow who enjoyed a reception and tour of the ship, gifts were replaced by a £500 donation to the RNLI.

£500

Corporate Responsibility

Health, Safety and protection of the Environment are of paramount importance. We endeavour to deliver sustained excellence in safety and environmental performance – both now and in the future. We work in partnership with our employees, customers, regulators, stakeholders and suppliers striving to achieve our common goal of no incidents, no harm to people and no damage to the environment.

During the year we have reviewed our indicators of health, safety and environmental performance to target more directly prevention as well as monitoring outcomes. In addition we have re-launched our office based behavioural safety programme to communicate more directly and effectively with our staff. The behavioural safety programme has particularly targeted the risks to our staff presented by travelling, including driving. This initiative took place in a year when two staff suffered fractures whilst travelling, in addition to two non-injurious incidents involving personal security, (a pickpocket and a suspected substance added to drinks incident). The initiative sought to address the dangers associated with an apparently low risk activity.

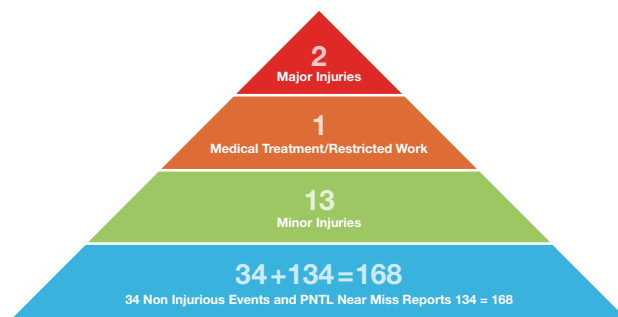
These fractures (Days Away Cases) along with a more minor injury aboard one of our ships resulted overall in Total Recordable Injury Rate (TRIR) of 0.57 and Days Away Case Rate (DACR) of 0.38.

We endeavour to learn from all events. By recording and learning from the minor events and near misses we aim to eliminate the more significant events and injuries.

During the year we took the opportunity to restructure the Environment, Health, Safety and Quality (EHS&Q) function and strengthen the Assurance function, focusing on risk based approach to EHS&Q assurance, improved assurance action reporting and tracking and clearer differentiation between EH&S advice and assurance.

We have had no reportable environmental incidents during the year. Our environmental focus for the year has been to monitor our carbon emissions. These are dominated by the fuel consumed by our ships.

**INS Events 2008/09
(including minor events and near misses to ensure full learning from experience)**



We have limited capacity to reduce this consumption as ship operations are largely driven by customer demand. However, we will examine marine best practice in other sectors to benchmark our consumption. In terms of fuel consumption compared with energy transported the ratio is extremely favourable. For example we embarked at the end of the year on a voyage for the Pacific Heron from France to Japan. The Energy equivalent of the cargo of MOX fuel elements was approximately 10,000,000 Tonnes Oil Equivalent (TOE). The fuel oil consumed by the Pacific Heron and the escort vessel Pacific Pintail was approximately 2,520 tonnes of oil for the full return journey of both ships.

We endeavour to minimise our impact on the environment by recognising and managing those aspects and impacts through our ISO14001 certified management system.



October
A successful horse show for the INS France team. One of the Jumps in the form of the European Shearwater proved to be a key attraction.

October and November
INS employees took the opportunity to visit and explore the Pacific Heron, the first of three new Pacific class vessels to join the PNTL fleet.

The health of our staff is an important priority for us and with the change brought about by transition comes the opportunity of work related stress. Accordingly, this year we have placed greater emphasis on attendance management including support for staff on sick leave or returning from sickness. We have seen a steady reduction in the rate of both short and long term sickness absence. The rate for INS UK based staff in 2008/09 was 5.91 days per employee against a target of no more than 7 days and is below the national average.

Community Support

In 2008/09 INS support a number of local community projects and supported staff through match funding of charitable donations.

These include:

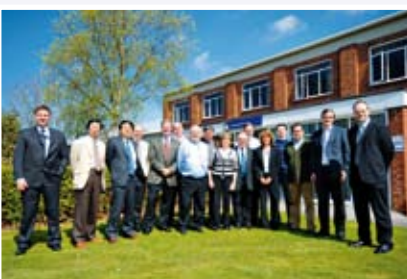
- £1,500 to St Mary's Hospice day centre raised by a sponsored walk by PNTL Crew.
- £2,000 to the National Autistic Society in Barrow for games consoles and computer equipment.
- £2,500 for classroom IT equipment to Sacred Heart RC Primary school in Barrow.
- St Mary's Community Centre, Walney Island received £500 for Kitchen Equipment.
- £1,500 to the British Heart foundation for a sponsored walk by two members of INS.
- Whitehaven Amateur under 9s football team received £750 for new kit.
- PNTL donated £2,100 to Barrow sea Cadets to help with improvements following a RN Inspection.
- INS sponsored slim resulted in a total of 170lbs lost by participants and INS donating £ for lb to the nominated charities.
- PNTL donated £2,000 to the Furness Falcons wheelchair basketball team to help with insurance and league registration costs.



St Mary's Hospice Day Centre



During the summer of 2008 a number of PNTL Crew took part in a sponsored walk from Kendal to Barrow raising £1,500 for local charities. PNTL agreed to match fund the money raised, with the Crew selecting St. Mary's Hospice Day Centre as their nominated charity.



22 October

RAMTUC seminar which provides a forum for organisations and site representatives to meet with the DfT regulators, hear updates and exchange views, relevant topics, changing regulations and help develop best practice and promote harmonisation in the nuclear transport industry.

Corporate Responsibility

Communications

A vital part of reducing the effects of organisational change on employees is good communications. To this end INS began the year by establishing the new role of Communications Manager. Communications in INS are delivered using a spectrum of media, these include, face to face briefings, newsletters and our intranet.

We dedicate significant resource to communicating with our many stakeholders across the globe. During the year we engaged in public information missions to South America, South Africa, New Zealand and the Pacific Islands to help improve understanding of our shipping operations and to allow us to address better the concerns expressed to us. We held two meetings of the Ramsden Dock Terminal Stakeholder Group (RDTSG) which is made up of officials and public representatives in Barrow where our fleet is based. The proceedings of the RDTSG are published on www.pntl.co.uk.

2008/09 saw the development of the INS website at: www.innuserv.com, for its launch on 1 April 2009.

We recognise that our presence in the community brings with it duties as a good corporate citizen. During the year we made contributions to not for profit groups in Barrow, Dunkirk, West Cumbria and Cheshire whose activities relate to our business, are particularly disadvantaged or which contribute to social cohesion. We also joined Business in the Community and we will seek in future years to report against a more structured corporate responsibility framework.

Through 2009/10 INS will be further developing its Corporate Responsibility Strategy aligned to its business objectives and values. In achieving this we are committed to understanding and managing our key risks and developing initiatives and programmes to mitigate those risks whilst always seeking to have a positive impact on the economy, communities and stakeholders.

Our People

INS is committed to supporting the NDA in meeting its obligations, set out in the Energy Act 2004, to develop a world class, sustainable workforce. The National Skills and Capability Strategy have been implemented by the NDA to support this mission. INS believes that the success of the business will be supported by continuous training and development of its current and future workforce.

The company commenced operations with 143 employees and closed the 2008/09 financial year with 135.

In its first year it had an employee turnover of 7%. This percentage is accounted for as follows:

Resignation 4.9%

Natural wastage 1.4%

Death in Service 0.7%

Views are sought from employees who choose to leave the organisation to ascertain opinions on Terms and conditions of Employment. General opinions are gathered on the morale of the organisation and how the company could improve its relationship with its employees. These opinions are summarised and reported to the Executive on a regular basis. This supplements day to day and normal performance management feedback processes.

19 November

As part of a programme to enhance understanding of different areas of the business, three members of INS joined the M.V. Pacific Sandpiper in Cherbourg for a familiarisation visit, after observing the loading of the VRR flask they set sail back to Barrow.



January 2009

The delivery of the 2nd universal tilt frame to support the Vitrified Residue Returns (VRR). The frame lifts the VRR flask to the vertical position for loading and lowers back to horizontal for transport.

Recognising and rewarding achievement

INS recognises the need to attract, motivate, reward and retain employees who are committed to the achievement of the company's business objectives. We are committed to providing salary; incentive and benefit packages that are aligned to appropriate industry standards. INS is proud of its constructive relationship with the Prospect trade union and its INS representatives. INS started its year with the signing of a consultation and negotiation agreement which has been used as a base for the development of this constructive relationship. This has been a learning process not without occasional setbacks. All parties in the consultation and negotiation process are relatively new to the roles, but a healthy, fair and honest relationship has developed.

Skills development

INS encourages every employee to perform to the highest standards and to develop his/her skills to support the business. The company is committed to ensuring all employees are encouraged to contribute effectively to business success through regular performance reviews with their line manager, setting clear objectives and targets, both for the job and development but also encourage employees to broaden their skills base through training development, work experience needed to perform their roles safely and effectively and to fulfil their potential consistent with the needs of the business.

In addition where possible INS encourages secondments to other areas of the business to broaden skills and opportunities. We also support our key stakeholder, the NDA, in this role and in 2008/09 an NDA employee was seconded into the commercial area of INS.

Recognition of a job well done plays a large part in improving the behaviours and attitudes of individuals, provides ownership of work pride in the company and boosts morale. To this end INS has enhanced the Reward and Recognition scheme. The enhanced scheme widens the arrangements to allow not only line managers and senior managers but now also fellow employees to be able to nominate their colleagues, through their line management, who they feel have 'gone the extra mile' whilst at work and demonstrated exceptional examples of good behaviours, including business improvements, cost saving initiatives, exceptional performance and getting involved in activities over and above the requirements of the job.

INS recognises the importance of developing leadership skills at all levels to create a successful business. We are committed to attracting, retaining and developing leadership and high potential talent throughout the company to meet our business opportunities.

In addition to the effective training and development of current employees, INS will refresh the organisation through recruitment including Graduate Trainees.



24-26 March

INS hosted Maritime Coastal Agency (MCA) multi agency exercises (environment agency, Health Protection Agency, DEFRA, National Chemical Emergency Centre, Fire Service, Marine Fisheries Agency and North West Environment Group). The use of the MV Pacific Sandpiper enhanced the exercise giving all agencies first opportunity to train in a realistic environment.

24 March

In recognition of the significant changes to the Sellafield Ltd business, a partnering charter between INS and Sellafield Ltd was signed. The charter sets out the vision, principles and behaviours that both organisations will adopt in carrying out their respective responsibilities and obligations.

Corporate Responsibility

Equal Opportunities

The Company is committed to a policy of equal opportunity and complies with all statutory obligations. It believes that every individual has the right to equal treatment and opportunity. Discrimination or harassments on the grounds of gender, age, marital status, ethnic or national origin, religion, sexual orientation or disability will not be tolerated. The Company values the diversity that people with different backgrounds brings to our business.

At financial year end, INS employed 80 male staff and 55 female staff, none of which had any identified disabilities. Records show that INS has 98.5% of its employees who are white; the remainder of employed have been identified from another ethnic race. 59% of its workforce are male and 41% is female.

The Company is fully compliant with all equal opportunities legislation and the age demographic profile is testament to this.

20-29	10
30-39	37
40-49	41
50-59	43
60+	4

Recognising the need to replenish and maintain our high standards of skills and experience, INS actively undertakes succession planning and from this development of current, along with recruitment and development of additional, staff.

It is committed to providing benefits for employees with families and approximate 11% of its workforce is employed in a part time capacity.

In addition, the Company has a number of policies to support our commitment to employees in relation to harassment, complaints (both individual and collective), serious concerns all of which have dedicated procedures in place if issues need to be escalated from a local level.

INS will value and develop our people's talents, capabilities and leadership and celebrate the innovations and accomplishments of our people.



March
Pacific Heron departs Cherbourg carrying MOX fuel for Japan.

1 April
The new INS website is launched
www.innuserv.com

Governance

INS is wholly owned by the NDA and has a Board drawn from both organisations. The day to day management of INS is the responsibility of the Managing Director and his Executive team.

Whilst not a listed company, INS has sought to follow the spirit of the Combined Code on Corporate Governance on which the Board and Executive team have received specialist training. Governance over the business of INS is exercised by the Board, on advice from the Managing Director and his Executive through policy setting, performance review, audit and assurance.

These, together with regular reviews of both business and financial risk management, investigation and learning from non-compliances, support the good practice running of INS. These activities remain the subject of continuous improvement.

INS is a company owned by a Non-Departmental Public Body and accordingly during the year we have brought in the controls applicable to public servants for expenses, hospitality etc.



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- 1 **Richard Waite**, Chairman
- 2 **Sean Balmer**, Non Executive Director
- 3 **John Clarke**, Non Executive Director
- 4 **Alan Moore**, Non Executive Director
- 5 **David Landon**, Non Executive Director
- 6 **Alaine Greaves**, Finance Director
- 7 **Mark Jervis**, Managing Director



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The Executive team

Mark Jervis
Managing Director



INS Functions includes the Executive team providing strategic direction, leadership and management of INS.

Mark has over 25 years experience in the nuclear industry.

After graduating with a Chemistry degree from Nottingham University, Mark commenced his career in the High Level Waste Plants at the Sellafield site in the UK, working on the development of the high level waste vitrification process. He transferred to the commercial division of the spent fuel management group within BNFL (now International Nuclear Services) in 1989, progressing through a number of roles to become responsible for the negotiation and management of multi-million pound contracts with UK and overseas customers for reprocessing and recycling services from Sellafield.

Mark became Commercial Director of International Nuclear Services (INS) in 2007, responsible for a wide portfolio of contracts worth several billion pounds. He was subsequently promoted to Managing Director of INS in June 2008. In his current role, Mark also oversees all aspects of INS's International Transport Operations.

Mark has extensive experience of negotiating and managing complex commercial contracts for recycling and transport services, as well as managing international customer relations.

Mark is a member of the INS Board. Mark is a Director of both INS Japan KK and INS Rokkasho KK. Mark is also a Director of Pacific Nuclear Transport Ltd and Chairman of the World Nuclear Transport Institute.

Alaine Greaves
Finance Director



A dedicated Finance team, led by Alaine Greaves, INS Finance Director.

Alaine commenced her career with Deloitte and Touche, qualifying as a Chartered Accountant and then spent two years as Budgeting and Forecasting accountant with the pharmaceutical company AstraZeneca, prior to joining BNFL in 2001 as a financial accountant.

Alaine progressed to Head of BNFL Group's Financial Accounts and Treasury Back Office functions at its Corporate Centre in Daresbury. For the last four years Alaine has been the Head of Finance for International Nuclear Services and became Finance Director of International Nuclear Services in April 2008.

David Landon
Technical Director



INS Technical is led by David Landon, INS Technical Director, and provides core in-house expertise in the areas of asset licensing, engineering and technical services, business improvements, procurement and project management expertise.

The technical function maintain a management information and business improvement system, together with a strategic advice role to the Executive and the interface for procurement services provided by Sellafield Ltd.

David has a wide range of experience, leading and managing projects and engineering businesses.

He has worked in senior management roles in a range of industries including airports, utilities, rail and most recently nuclear. He worked for GEC, APV, Siemens and Cegelec before joining BNFL five years ago. David was responsible for engineering and projects on the Sellafield site, before joining International Nuclear Services as Technical Director.

Alastair Brown
Operations Director



Alastair Brown, INS Operations Director, heads INS Operations which undertake international transport operational activities.

Including the management of the fleet of ships and specialist packages for nuclear materials, which have historically brought spent fuel from overseas, but will now be focusing on returning MOX fuel and wastes to utility customers.

An Emergency Response and logistics function is a key part of Operations. The function also provide Security advice to INS and provide transport services to AREVA for the return of wastes and MOX fuel from France and Japan and seeks to optimise the utilisation of the assets through transport of test reactor fuel and other miscellaneous products.

Alastair has 20 years experience in the nuclear industry.

Alastair started his career at the Sellafield site and for the last 10 years has undertaken various roles within the Transport operations directorate of International Nuclear Services. He has extensive experience of interfacing with international customers, governments, regulators of nuclear transportation and local stakeholders. Alastair is a company spokesman for nuclear transport worldwide and participates in the UK delegation for Inter-governmental negotiations in relation to nuclear transportation.

Alastair is Director and General Manager of Pacific Nuclear Transport Limited (PNTL) and a Director of International Nuclear Services France SA. He also represents International Nuclear Services on the advisory committee of the World Nuclear Transport Institute (WNTI) in London.

John Edwards
Commercial Director



John Edwards, INS Commercial Director, leads the INS Commercial function which manage the revenue income from utility contracts (MOX, Reprocessing, MOD and Transport), performing all aspects of sales and contract management activities, whilst ensuring production programmes meet utility customer requirements and secures revenue income for the NDA. INS commercial manage both the INS Japan subsidiary and the German office.

John has more than 30 years experience in the UK Nuclear Industry.

John started his career as a scientist and gained a PhD at Manchester University before working on Fast Breeder Reactor fuel development and fabrication. After gaining considerable technical experience on plutonium and thermal MOX fuels, he moved into a commercial role and became President of BNFL/Westinghouse Japan KK in 2002. After returning to the UK in 2006, John became Head of the MOX and Transport Commercial contracts for International Nuclear Services. John was appointed as Commercial Director of International Nuclear Services in 2008.

Rupert Wilcox-Baker
Corporate Responsibility Director



The Corporate Responsibility team which provides Environment, Health, Safety and Quality services to INS, together with HR and Communication services headed by Rupert Wilcox-Baker, Corporate Responsibility Director.

Rupert is an experienced senior public affairs practitioner and has led multi-stakeholder PR campaigns in the UK and overseas.

He was a member of the BNFL team that secured the UK Government go-ahead for the Thorp reprocessing plant and the Sellafield MOX Plant (SMP). Rupert led BNFL's public affairs programme in Ireland for a number of years and was a member of BNFL's 'pseudo-NDA' entity BNFL/ALFA. Joining International Nuclear Services in 2004 to head up communications, Rupert's responsibilities now also include Human Resources and Environment, Health, Safety & Quality.

Photographs courtesy of:
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