



International
Nuclear Services

2010/11 Annual Review

A unique UK asset reducing nuclear liabilities



Chairman's introduction

International Nuclear Services (INS) manages a large portfolio of UK and international contracts for nuclear fuel cycle and nuclear transport services on behalf of its owner, the Nuclear Decommissioning Authority (NDA).

INS is also the majority shareholder of subsidiary company, Pacific Nuclear Transport Limited (PNTL), the world's leading shipper of nuclear materials.

As a taxpayer-owned company, INS is a key strategic asset for the UK, with valuable people who have unique experience in a field where strong customer relationships and innovative solutions are required to solve complex issues and liabilities.

In financial year (FY) 2010/11 INS has continued to manage important relationships with NDA customers and delivered revenues of £600m on behalf of the NDA, which has contributed to the cost of the UK's nuclear clean-up.

In addition, INS arranged for the transportation of more than £1m of radiation protection and monitoring equipment from the UK nuclear industry to Tokyo Electric Power

Company (TEPCO) in Japan to support its management of the crisis at the Fukushima nuclear plant.



John Clarke INS Chairman

John Clarke is also the NDA's Executive Director responsible for Business Planning; and the Chairman of PNTL.



ACHIEVEMENTS IN 2010/11:

- **Managed £600m of NDA revenue**
- **Mox delivery from Europe to Japan completed in June 2010**
- **Arranged for transportation of aid to Fukushima Daiichi**
- **Assumed management of legacy contracts for Dounreay reprocessing**



Helping NDA reduce hazards and liabilities

FY 2010/11 was an excellent year in terms of safety, commercial and operational performance.

In support of the NDA's mission of hazard reduction we have applied our unique expertise to find transport, technical and commercial solutions to UK civil nuclear liabilities.

The value of INS lies in its people's nuclear fuel cycle and nuclear transport knowledge. This enables us to manage complex technical and contractual challenges that are key to solving the UK's nuclear legacy and meeting our customers' needs.

Our work, while commercial and transport related, has many parallels with site-level decommissioning. We reduce hazards (safely repatriating nuclear

waste to its country of origin); work in partnership with site operators (delivering ongoing fuel cycle contracts); and find innovative ways to reduce taxpayer clean-up contributions (negotiate contracts to reduce financial liabilities).

In addition, where transport is required to manage hazards and liabilities, INS has leading transport flask design and licensing expertise and a fleet of specialist nuclear cargo

vessels. These assets have enabled plans for those transports to be developed and the transports to be completed safely and securely. This is a growth area for our business.

Mark Jervis INS Managing Director

Mark Jervis is also a Director of PNTL.



ACHIEVEMENTS IN 2010/11:

- **Profit – £5.7m on turnover of £61m**
- **New Commercial Director, Peter Buchan, appointed**
- **INS France restructured**

Unique transport operations expertise

40 years of world-class performance

INS and its subsidiary PNTL, are the world's leading shippers of nuclear material with a flawless nuclear safety record.

Expert crews, leading flask and engineering skills and a rigorous approach to safety place the INS and PNTL fleet at the top of the list for transporting nuclear materials by sea to anywhere in the world.

An example of its expertise lies in the regular transports of special nuclear materials in support of the Global Threat Reduction Initiative sponsored by the United States government.

INS is trusted to safely and securely transport civil nuclear materials to help enhance the security of research fuel and radioactive sources across the globe.



2,000+
Casks of nuclear
material successfully
transported over 40 years.



ACHIEVEMENTS IN 2010/11:

- Delivery of Pacific Egret and Pacific Grebe to Barrow
- Mox delivery from Europe to Japan completed in June 2010
- Leading the development of the NDA's transport and logistics strategy
- Used fuel components shipped to Sweden for examination
- Material test reactor fuel shipment from Germany to USA
- Transfer of Pacific Pintail from PNTL into NDA ownership as Oceanic Pintail



INS Marketplace

ACHIEVEMENTS IN 2010/11:

- Winning contract to support NDA's hazard reduction at Dounreay
- Licensing an ISO freight container for transporting >1% enriched reprocessed uranium
- Proof of concept for an enlarged ILW reusable transport container to optimise transports to the UK geological repository





Leading transport engineering expertise

Design, licensing, consultancy

INS' engineers design packages that allow nuclear materials to be transported in a safe and secure manner. They also specialise in the complex process of acquiring the necessary licences for them to be used.

This is an essential part of our business, allowing us to help our customers overcome the engineering challenges of transporting nuclear materials, as well as demonstrating to stakeholders and regulators that we operate to the highest standards of safety and security.

Transporting nuclear materials safely and securely is necessary to manage nuclear liabilities; fulfil contracts for fuel reprocessing and waste management; and support non-proliferation programmes. Our in-house team of experts have helped make us world leaders.



Delivering for customers and the UK taxpayer

INS acts on behalf of the NDA in discussions with its fuel cycle customers in the UK and overseas. These contractual relationships transferred from both British Nuclear Fuels PLC and the United Kingdom Atomic Energy Authority, to the NDA under the Energy Act 2004.

INS' people have managed these contracts for decades and have unique and enduring relationships with customers in Europe and Japan. This is a valuable asset for NDA and provides its customers with much-

needed consistency during a period of great change in the UK industry. It is also a pool of unique UK expertise which ensures best value for the UK taxpayer is gained from the ongoing management of these long-term contracts.



5 million
miles covered safely and
securely in INS shipments
over 40 years



ACHIEVEMENTS IN 2010/11:

- **SMP framework agreement securing a funded programme of substantial improvements and solidified relationships with key customers in Japan**
- **UO₃ exports continued with the ninth and tenth shipments from the UK of customers' recycled uranium for reuse in the nuclear fuel cycle**



Delivering our business responsibly

Continuing its decades-long excellent record of environmental performance, there were again no reportable environmental incidents of a conventional or radiological nature in the financial year, a trend that has lasted for 25 years.

There was, however, one minor non-compliance with a permit condition with no environmental impact. INS' focus has therefore been on finding behavioural ways to minimise our impact on the environment, particularly in waste management. New waste separation schemes are in place in offices and on board our vessels to facilitate a greater degree of recycling.

Carbon monitoring continues and the largely static levels are dominated by our fleet of ships, which is something that is driven by operational demand. The last of our three new second-generation PNTL vessels was delivered to Barrow. The design of the new vessels includes substantial improvements on the first generation, in order to operate more efficiently day-to-day but also to contain any non-radioactive contaminants, such as lubricants, in the event of an incident at sea.

On land, our encouragement of employees has been to reduce both road and air miles travelled, recognising that while we are a company with an international remit, many meetings can be carried out using video conferencing or new technologies. INS also encourages employees to take up the Cycle to Work scheme, with six new subscribers in 2010/11.



6

The Cycle to Work scheme gained six new INS subscribers in 2010/11



ACHIEVEMENTS IN 2010/11:

- No reportable environmental incidents
- Successful Lloyds Register Quality Assurance (LRQA) surveillance audit
- Pacific Sandpiper decommissioning initiated – targeting 95% recycling
- Assurance database launched to capture all reportable events and audits, including environmental ones



Ensuring our people are safe and healthy

INS' principle Environment, Health and Safety committee (INSAFE) devises and delivers a variety of programmes focused on improving the EHS performance of both INS and its subsidiary PNTL.

The committee is chaired by the Managing Director and is made up of leading practitioners from a cross section of the business.

Injurious events at INS remain very low, although unfortunately there has been one major injury due to a fall that resulted in a broken ankle. We continue to focus on the prevention of incidents by sharing the learning from events and

encouraging employees to challenge unsafe practices and also by finding new and more innovative means of engaging with employees about safety at work and at home.

To ensure stringent reporting, monitoring and completion of actions following incidents and events, a new Assurance Database was launched in November 2010 where all audits and incidents are tracked. During the roll-out

of the database employees' awareness was raised about the importance of reporting both injurious and non injurious events.

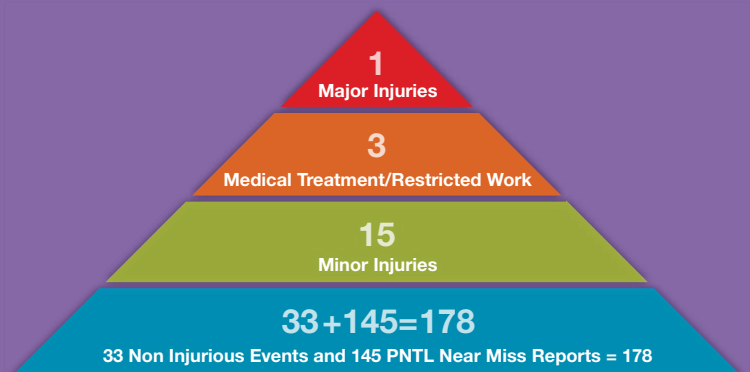
During 2010/11 the Well Being campaign focused on drugs and alcohol awareness. Cheshire and Cumbria Fire Services gave presentations on the effects of both while driving and also held a driving simulator session.

INS Events

April 2010 – March 2011

Key

- Major Injury (fracture or hospitalised >24 hours)
- Medical Treatment Case/Restricted Workday Case (received medication or able only to perform restricted duties)
- Minor Injurious (received no treatment or first aid treatment)
- Non Injurious/near miss (finance, security, non conformance, anomaly, damage to equipment, equipment failure etc).





140

staff are employed by INS
in offices and facilities in
the UK, France, and Japan

Valuing our communities' support

INS has a long history of working with and contributing to its communities. Its PNTL vessels have been based in Barrow-in-Furness for more than 30 years, an operation which contributes around £1m into the local economy annually.

Its grassroots approach to recruitment also means the fleet currently employs four local former deck cadets, five local engineers and several local ratings among its 150 crew.

In FY 2010/11 INS and PNTL employees voted to support three hospice charities and overall gave £23,000 to charitable organisations, from fundraising events like cakes sales, sponsored slims and charity bike rides, to company donations and match funding.

And overseas, links with Japan were continued by a primary school art exchange with counterparts in Cumbria, which saw an exhibition of children's artwork moving from Maryport in Cumbria, to Tsuruga and Tokai in Japan.



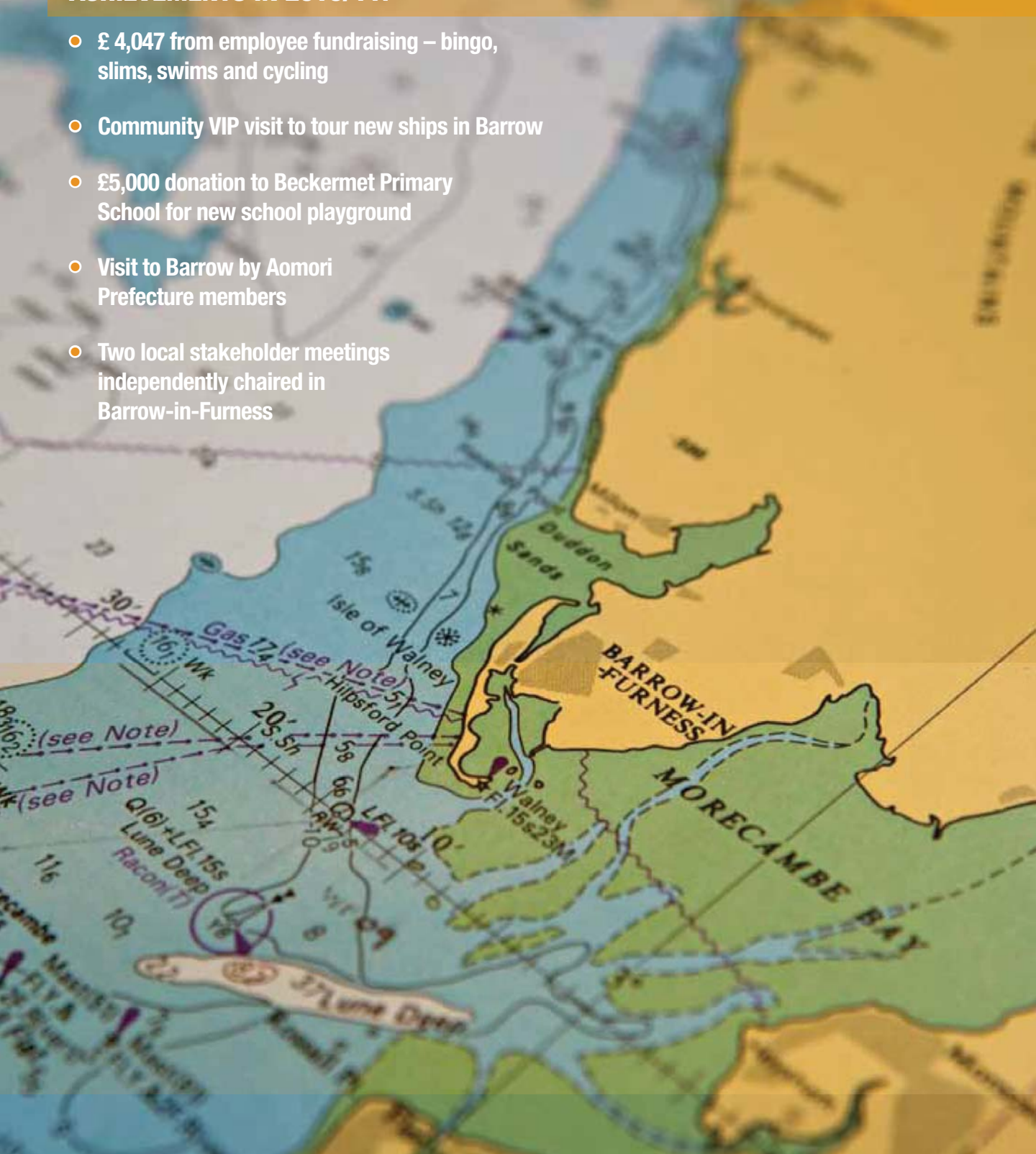
£2,698

was donated to each of three hospice charities as part of £23,000 raised throughout the year



ACHIEVEMENTS IN 2010/11:

- £ 4,047 from employee fundraising – bingo, slims, swims and cycling
- Community VIP visit to tour new ships in Barrow
- £5,000 donation to Beckermert Primary School for new school playground
- Visit to Barrow by Aomori Prefecture members
- Two local stakeholder meetings independently chaired in Barrow-in-Furness



Photographs courtesy of:
Sellafield Ltd, INS and NDA.

For further information
please contact:
Info@innuserv.com
Tel: 01925 835000

Or visit our websites:
www.innuserv.com
www.pntl.co.uk



**International
Nuclear Services**

International Nuclear Services Ltd
Hinton House, Birchwood Park Avenue,
Risley, Warrington, Cheshire, WA3 6GR
www.innuserv.com