



Recovering Energy from Waste

## Board Meeting Minutes

Friday 10<sup>th</sup> July 2015  
09.40am at the Registered Office

*Present:* G Honeywell (Chairman)  
R Gray  
C Penson  
P Johnson  
C West

*In attendance:* L McNeil - EY (agenda item 1)  
S Kaur - Minute Taker  
K Starkey

	Action
<p><b>1. Statutory Accounts for Year Ended 31<sup>st</sup> March 2013</b></p> <ul style="list-style-type: none"><li>• Going Concern Report</li><li>• Auditor's Report to the Board by EY</li><li>• Governance Letter from EY</li><li>• Representation Letter to EY</li><li>• Approval of Statutory Accounts</li></ul> <p>Ms Lorna McNeil, Senior Statutory Auditor for EY, was invited by the Chairman to join the meeting.</p> <p>The Board considered the Report on Going Concern submitted by Mr Penson, which assessed the facts and circumstances relevant to the Company's decision to draw up the financial statements for the year ended 31<sup>st</sup> March 2015 on a Going Concern basis.</p> <p>It was agreed that no material uncertainties that may cast doubt upon the ability of the Company to continue as a going concern have been identified by the Directors and Ms McNeil accepted the report on behalf of EY.</p>	

Ms McNeil then presented the Auditor's Report summarising the audit of the Company's financial statements for the year ended 31<sup>st</sup> March 2015. She gave an overview of the financial performance of the Company, confirming that on a turnover of £24.9 million, the profit before tax was £7.1 million. Ms McNeil updated the Board on issues arising from the audit and then drew the Board's attention to regulatory updates relating to UK GAAP.

Ms McNeil concluded her summary of the audit process by thanking the finance department for its preparation and cooperation which enabled the audit to be carried out in an efficient and timely fashion.

Ms McNeil drew the Board's attention to the Letter to Those Charged With Governance and the Letter of Representation. The Representation Letter was signed by Mr Gray and Mr Penson and given to Ms McNeil. A copy was retained by the Company.

The Statutory accounts for the year ended 31<sup>st</sup> March 2015 were then signed by Mr Gray and Mr Penson on behalf of the Company and Ms McNeil on behalf of EY. Five copies were signed, two were retained by the Company and two by EY who also took a copy to file with Companies House.

Ms McNeil then left the meeting after being thanked by the Chairman.

## **2. Minutes of Previous Meeting**

The minutes of the previous meeting were agreed and signed by Mr Honeywell.

## **3. Matters Arising**

No matters arising.

## **4. Environment, Health & Safety Report**

Mr Gray began his report by referring to the trend charts for injury frequency rate and he gave a summary of injuries by type.

Injuries year to date were considerably lower compared to the same period last year. There were 3 minor incidents in June, 1 relating to a contractor and 2 involving members of staff. There were 4 damage incidents reported in the month and 2 break-ins at the HWRRC

There were no environmental incidents, abnormal operation events or

environmental complaints for the period.

Mr Gray concluded his report by referring to the 2015 Improvement Programme. All projects are on track to be completed within the designated timescales.

## 6. Company Performance Report

Mr Gray presented the Plant Performance for the two months ended 24<sup>th</sup> May 2015.

Waste throughput was 3% ahead of budget although 5% behind last year.

A and B shareholder waste throughput was 4% lower than budget and 4% behind last year. C Shareholder waste throughput was 26% higher than budget and 15% ahead of last year. Non shareholder waste was 3% ahead of budget and 18% lower than last year.

A and B Shareholder waste accounted for 52% of total throughput compared with 51% for same period last year.

Plant availability was 84% compared with a budget of 79% and a prior year performance of 88%, and average waste throughput per unit hour was [REDACTED] against a budget of [REDACTED] and prior year performance of [REDACTED].

Electricity export was 11% ahead of budget and 1% lower than last year due to the impact of the total plant outage in the current year.

Mr Penson reported to the Board on the Company's financial performance.

The profit before tax and pension provision for the first 2 months is £304k ahead of budget and £478 behind last year.

Mr Penson presented a revised forecast for the year ending 31<sup>st</sup> March 2016, the main changes in assumptions being revised prices reflecting the lower rates actually achieved in both waste incineration and electrical generation. Despite this, the higher than budgeted performance in the first two months has led to a slight increase in the forecast profit for the year. The year-end cash position is forecast to be £7.9m, compared with a budgeted figure of £6.0m, due principally to a better than budgeted opening position and lower than budgeted capital expenditure.

<p><b>7. Review of tax position</b></p> <p>The Board reviewed the current tax position of the business and agreed to take further advice on the following points:</p> <ul style="list-style-type: none"> <li>• Provision of a coupon on remaining preference shares;</li> <li>• Adoption of a Corporate Social Responsibility (CSR) policy;</li> <li>• Introduction of management fees to cover A and B Shareholders' costs in providing non-executive directors to the Company.</li> </ul> <p><b>8. Board Membership</b></p> <p>The Board passed a resolution authorising the following s:</p> <ul style="list-style-type: none"> <li>• Karl Starkey's appointment as a director with effect from 1<sup>st</sup> October 2015 to be recommended to the Shareholder Panel.</li> <li>• Geoff Honeywell will resign as a director on 30<sup>th</sup> September 2015.</li> <li>• Richard Gray's role will change from executive Managing Director to non-executive director of the Company with effect from 1<sup>st</sup> October 2015.</li> </ul> <p><b>9. Any other business</b></p> <p>Mr Gray to confirm Mr Starkey's references to the Members and Officers who took part in the final interview.</p> <p>Mr Gray updated the Board regarding planning application for the construction of flood defences for the site. If the application is granted, the situation will be reviewed and will only proceed if beneficial.</p> <p>Mr West proposed a vote of thanks for Mr Honeywell for his contribution to the Board over many years which was unanimously approved by the remainder of the Board.</p> <p>The Board congratulated the finance department on its conduct of the year end process and asked Mr Penson to convey its thanks to the members of the finance team.</p>	<p>C Penson R Gray C Penson</p> <p>R Gray</p>
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### **Dates of next meetings**

The dates of the next meetings were confirmed as:

Management Review Meeting	Monday 7 <sup>th</sup> September 2015 commencing at 10.00am at the Registered Office
Shareholder Panel Meeting (TBC)	Monday 23 <sup>rd</sup> September 2015 commencing at 10.00am at the Registered Office
Board Meeting	Monday 9 <sup>th</sup> November 2015 commencing at 10.00am at the Registered Office

There being no further business, the Chairman close the meeting at 12.05 am.

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Chairman