



Recovering Energy from Waste

Board Meeting Minutes

Monday 10th July 2017
1.30pm at the Registered Office

Present: R Gray (Chairman)
P Johnson
C West
K Starkey
C Penson

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

	Action
<p>1. Statutory Accounts for Year Ended 31st March 2017</p> <ul style="list-style-type: none">• Going Concern Report• Auditor's Report to the Board by EY• Governance Letter from EY• Representation Letter to EY• Approval of Statutory Accounts <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 31st March 2017 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.</p>	

Ms McNeil then presented the Auditor's Report summarising the audit of the Company's financial statements for the year ended 31st March 2017. She gave an overview of the financial performance of the Company, confirming that on a turnover of £24.8 million, the profit before tax was £7.2 million.

She further updated the Board on issues arising from the audit, confirmed that EY considered themselves to be independent, that they agreed that the accounts could be drawn up on a going concern basis, there were no summary of audit difference findings during the audit which affected the income statement and an unqualified audit opinion would be included in the financial statements.

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

The Statutory accounts for the year ended 31st March 2017 were then signed by Mr Starkey 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 three by EY including a copy for filing 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 on 2nd May 2017 were agreed and signed by Mr Gray.

3. Matters Arising

Jacobs Structural Engineering Report

Mr Starkey confirmed that the survey was progressing and is expected to be completed early next year.

4. Environment, Health & Safety Report

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

There were no injuries reported in June. There were 15 hazard/near misses reports during the month, 1 damage incident and no instances of abnormal operation, breaches of ELVs or environmental complaints for the period.

The positive start to the year continues with another accident free month and a good level of near miss participation reporting.

Mr Starkey concluded his report by referring to the 2017 Improvement

Programme, all projects are on target to be completed within the designated timescales.

5. Commercial Report

Mr Starkey updated the meeting on the current status of issues relating to certain waste contracts.

6. Company Performance Report

Mr Starkey presented the Plant Performance for the two months ended 21st May 2017.

Waste throughput was 7% ahead of budget and 2% higher than last year.

A and B shareholder waste throughput was 18% lower than budget and 6% lower than last year. C Shareholder waste throughput was in line with budget and 8% lower than last year. Non-shareholder waste was 72% ahead of budget and 19% higher than last year.

A and B Shareholder waste accounted for 45% of total throughput compared with 49% for the same period last year.

Plant availability was 92% compared with a budget of 89% and a prior year performance of 87%, and average waste throughput per unit hour was [REDACTED] tonnes against a budget of [REDACTED] tonnes and prior year performance of [REDACTED] tonnes.

Electricity export was 11% ahead of budget and 15% higher than last year due to the better throughput and unplanned availability rates.

Mr Starkey confirmed that the original equipment manufacturer of the grate (Martin) has been asked to evaluate the plant's maximum capability.

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 £1,424k which is £868k ahead of budget and £744k higher than last year.

Mr Penson presented a revised forecast for the year ending 31st March 2017, the main changes in assumptions being higher waste prices and some reductions in cost.

The forecast profit before interest, pensions and tax is £7.6m compared with a budget of £6.3m. The year-end cash position is forecast to be £11.2m, compared with a budgeted figure of £7.2m, due to a better than budgeted opening position and better forecast trading.

<p>7. Review of Risk Register Mr Starkey presented the Risk Register to the Board. It was agreed to remove the Triad risk from the register due to its materialisation.</p>	KS
<p>8. Private Wire Mr Starkey updated the Board on private wire.</p>	
<p>9. Contracts for Board Authorisation Mr Penson presented the Board Contract Authorisation Record which was considered by the Board. The proposals for the agreement of electricity power sales were approved. The proposals for the agreement of new waste incineration contracts were noted, but it was also noted that these arrangements would need to come back to the Board for specific approval prior to them being finalised.</p> <p>It was agreed the word 'approval' to be replaced with 'decision' and the paper to be recirculated to Board members.</p>	CP
<p>10. Any other business There was no other business.</p>	

Dates of next meetings

The dates of the next meetings were confirmed as:

- Shareholder Panel Meeting Tuesday 19st September 2017 commencing at 16.00pm
at the Registered Office
- Management Review Meeting Monday 9th October 2017 commencing at 09.00am
at the Registered Office
- Board Meeting Monday 6th November 2017 commencing at 13.30pm
at the Registered Office

There being no further business, the Chairman close the meeting at 4.30 pm.

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Chairman