



Recovering Energy from Waste

Board Meeting Minutes

Wednesday 12th July 2018
1.30pm at the Registered Office

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

Apologies: B Hastie

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

	Action
<p>1. Statutory Accounts for Year Ended 31st March 2018</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 2018 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>	

<p>Ms McNeil then presented the Auditor’s Report summarising the audit of the Company’s financial statements for the year ended 31st March 2018. She gave an overview of the financial performance of the Company, confirming that on a turnover of £24.1 million, the profit before tax was £10.6 million.</p> <p>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.</p> <p>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.</p> <p>The financial statements for the year ended 31st March 2018 were then signed by Mr Starkey and Mr Penson on behalf of the Company and Ms McNeil on behalf of EY. Three copies were signed, two were retained by the Company and one was given to Ms McNeil for filing with Companies House. Mr Penson to provide scanned copies of the signed accounts to EY.</p> <p>Mr Gray noted that this is MS McNeil’s final year in charge of the audit after 10 years and he thanked her for her hard work and advice on the Company’s behalf. Ms McNeil advised that her replacement will probably be Helen Hemmings and that she would arrange an introduction in due course.</p> <p>Ms McNeil then left the meeting.</p>	
<p>2. Minutes of Previous Meeting The minutes of the previous meeting on 30th April 2018 were agreed and signed by Mr Gray.</p>	C Penson
<p>3. Matters Arising</p> <p><i>Data Protection Officer (DPO)</i> After taking advice, and considering the regulations in detail, the Board considers that it is possible that the Company is exempt from the need to appoint a DPO under Chapter 2 Articles 7.2 of the Data Protection Act 2018. There is still some uncertainty regarding the interpretation of the wording of the Act, accordingly the Board agreed that the situation will be reviewed in 12 months’ time in the hope that further guidance will be available at that time. CP to list as an agenda item for discussion at July 2019 meeting.</p>	C Penson

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 2 injuries reported involving a member of the public and a contractor. Both injuries were relatively minor and the trends remain at a low level.

There were 11 hazards and near misses reported in the month, all of which are being actioned. There were 3 damage incidents, all of which involved waste delivery vehicles contacting a fixed structure. There were no onsite environmental incidents or breaches of our operating permit. However, three complaints were received; there were two odour complaints, one from a house on London Road and another from Shortley Road. The third was a dust complaint from the Peugeot Technical Centre. After visiting Peugeot and investigating the complaint the cause was not dust related so therefore this complaint was not justified. There were no instances of abnormal operation.

Unease over the Environment Agency's proposed removal of its Regulatory Position Statement (RPS) regarding the use of unbound IBA has raised concerns. This RPS will no longer apply from 19 August 2018 and what steps the regulator will require in future to use IBA aggregates is uncertain. If new regulation places significant additional burden on producers and uses it could adversely affect the market. The trade federation ESA has been in discussions with the EA in order to gain clarity on the changes.

Mr Starkey concluded his report by referring to the 2018 Improvement Programme, the new site safety rules were now in force and the remaining projects were all 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 and the heat network.

6. Company Performance Report

Mr Starkey presented the plant performance for the two months ended 27th May 2018.

Waste throughput was 2% ahead of budget and 14% higher than last year.

A and B shareholder waste throughput was 9% lower than budget and 8% higher than last year. C Shareholder waste throughput was 6% lower than budget and 20% higher than prior year. Non-shareholder waste was 22% ahead of budget and 18% higher than last year.

A and B Shareholder waste accounted for 43% of total throughput compared with 45% for the same period last year.

Plant availability was 91% compared with a budget of 90% and a prior year performance of 92%, and average waste throughput per unit hour was ■■■ tonnes against a budget of ■■■ tonnes and prior year performance of ■■■ tonnes.

In the current year there was a minor outage and the G2 minor overhaul began. There was a minor outage in the corresponding prior year period. Due to the resetting of the financial calendar the current year period under review was a week longer than it was in the prior year.

Electricity export was 2% ahead of budget and 1% higher than last 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 £1,780k which is £546k ahead of budget and £356k higher than last year. Revenues are £199k higher due to higher than expected other waste sales (due principally to better availability and a more favourable sales mix) and costs are £322k lower than budget with cost savings in most categories.

Mr Penson presented a revised forecast for the year ending 31st March 2019. The forecast profit before interest, pensions and tax is £10.5m compared with a budget of £9.6m. The year-end cash position is forecast to be £11.2m, compared with a budgeted figure of £10.4m, due to a better than budgeted opening position and better forecast trading.

7. Review of Risk Register

Mr Starkey presented the Risk Register to the Board. It was agreed to remove the defined benefit scheme pension item from the register on the basis that the planned action is now complete.

K Starkey

8. Register of Directors' Interests

Mr Penson presented the Register of Directors' Interests noting that the only change was the substitution of Mr Hastie's details for Mr West's.

9. Contracts for Board Authorisation

Mr Penson presented the Board Contract Authorisation Record which was considered and agreed by the Board.

10. Any other business

No other business.

Dates of next meetings

The dates of the next meetings were confirmed as:

Shareholder Plant Tour Wednesday 5 September 2018 commencing at 14.00pm at CSWDC

Management Review Meeting Monday 17th September 2018 commencing at 10.00am at the Registered Office

Board Meeting Monday 5th November 2018 commencing at 13.30pm at the Registered Office

There being no further business, the Chairman closed the meeting at 15.00 pm.

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Chairman

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