



Recovering Energy from Waste

## Board Meeting Minutes

**Monday 6<sup>th</sup> July 2020**  
**10.00am via Video Conference**

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

*In attendance:* H Hemming - EY (agenda items 1 and 2)  
S Kaur - Minute Taker

	<b>Action</b>
<p><b>1. Statutory Accounts for Year Ended 31<sup>st</sup> March 2020</b></p> <ul style="list-style-type: none"><li>• Going Concern Report</li><li>• Auditor's Report to the Board by EY</li><li>• Representation Letters to EY</li><li>• Approval of Statutory Accounts</li></ul> <p>Ms Helen Hemming, Senior Statutory Auditor for EY, was invited by the Chairman to join the meeting. Mr Gray welcomed Ms Hemming to the meeting.</p> <p>The Board considered the report on Going Concern submitted by Mr Penson, which was split into two sections. The first specifically considered the potential impact of the coronavirus outbreak on the Company. The second considered going concern on the basis of normal operation, assuming that coronavirus does not have any material impact on the operations of the Company. The report assessed the facts and circumstances relevant to the Company's decision to draw up the financial statements for the year ended 31st March 2020 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 Hemming then presented the Auditor's Report summarising the audit of the Company's financial statements for the year ended 31<sup>st</sup> March 2020. She gave an overview of the financial performance of the Company, confirming that on a turnover of £32.4 million, the profit before tax was £14.3 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 and an unqualified audit opinion would be included in the financial statements.</p> <p>Ms Hemming drew the Board's attention to the Letters of Representation. The letters were to be signed by Mr Starkey and Mr Penson following the meeting with copies scanned to EY.</p> <p>The financial statements for the year ended 31<sup>st</sup> March 2020 were approved by the Board. Three copies were to be signed by Mr Starkey and Mr Penson on behalf of the Company following the meeting with one copy being scanned to Ms Hemming so that she could sign and return a copy on the same day on behalf of EY. The physical signed copies were to be posted to Ms Hemming so that she could sign them, returning two copies to the Company and filing one with Companies House.</p> <p>Ms Hemming then left the meeting.</p>	<p>C Penson</p> <p>C Penson</p>
<p><b>2. Minutes of Previous Meeting</b> The minutes of the previous meetings on 13<sup>th</sup> May and 8<sup>th</sup> June were agreed. Mr Gray to print and sign them following the meeting and send a scanned copy to the Company for filing.</p>	<p>R Gray</p>
<p><b>3. Matters Arising</b> There were no matters arising.</p>	
<p><b>4. Environment, Health &amp; Safety Report</b> Mr Starkey began his report by referring to the trend charts for injury frequency rate and he gave a summary of injuries by type.</p> <p>There were 2 injuries reported in April, no injuries in May and 1 in June, all of which were minor.</p> <p>There were no breaches of the operating permit, no instances of abnormal operation and no complaints received relating to the EH&amp;S impacts for April to June 2020.</p>	

<p>A Behavioural safety initiative is currently being trialled for the site to assist with improving safety performance. Analysis shows that behavioural safety could positively influence the safety culture.</p> <p>A Pandemic Mitigation Plan has been created to document the various steps taken to control the cross-contamination hazards within the workplace. It has been audited by an independent 3<sup>rd</sup> party auditor who considered it to be extremely comprehensive.</p> <p>All office staff returned to working fully from site on 6<sup>th</sup> July. Mr Hastie asked Mr Starkey to explain the rationale for the return of staff to site, which he did, citing the Pandemic Mitigation Plan and the measures contained in it which are designed to keep staff as safe as possible at work and which should also mean that the government's Track and Trace initiative should not lead to an increase in absenteeism. The Board confirmed that it supported the decision to bring all staff back to site. Mr Starkey said that he would share the 3<sup>rd</sup> party auditor's report with the board.</p> <p>The HWRC re-opened on the 18<sup>th</sup> May and the appointment system introduced by the Council has proved to be successful, with very positive feedback from all concerned.</p> <p>Mr Starkey concluded his report by referring to the 2020 Improvement Programme. All projects were on target to be completed within the designated timescales.</p> <p><b>5. Commercial Report</b> Mr Starkey updated the meeting on the current status of issues relating to certain waste contracts.</p> <p><b>6. Company Performance Report</b> Mr Starkey presented the plant performance for the two months ended 24<sup>th</sup> May 2020 and also gave a verbal update on the third month ended 28<sup>th</sup> June.</p> <p>Waste throughput was 8% higher than budget and 7% higher than last year.</p> <p>A and B shareholder waste throughput was 14% lower than budget and 6% lower than last year. C Shareholder waste throughput was 7% higher than budget and 41% higher than prior year. Non-shareholder waste was 208% ahead of budget and 18% lower than last year.</p> <p>A and B Shareholder waste accounted for 40% of total throughput compared with 45% for the same period last year.</p> <p>Plant availability was 95% compared with a budget of 90% and a prior year</p>	<p>K Starkey</p>
---	------------------

performance of 90%, 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 8% ahead of budget and 4% higher than last year.

Electricity export for June (Period 3) was 1.5% above budget and waste throughput was 5.1% ahead of budget. Plant availability was below budget by 0.3% due to two separate tube leaks, one of which shut the entire plant down.

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

The profit before tax and pension provision for the first 2 months was £2,381k which was £884k ahead of budget and £350k higher than last year. Revenues were £437k higher than budget due to higher than expected waste sales, arising from the better throughput rate, and a switch in sales mix between A and B shareholder waste and C shareholder and non-shareholder waste. EfW costs were £397k lower than budget.

Mr Penson presented a revised forecast for the year ending 31<sup>st</sup> March 2020. The forecast profit before interest, pensions and tax was £12.9m compared with a budget of £11.6m. The year-end cash position was forecast to be £16.2m, compared with a budgeted figure of £12.0m, due to a better than budgeted opening position and better forecast trading. The quantum of the year-end dividend for A and B shareholders was discussed and it was agreed that this should be discussed further at the Management Review Meeting in September and the Board Meeting in November.

C Penson

7.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

<p><b>8. Review of Risk Register</b> Mr Starkey and Mr Penson updated the Board on the items listed in the Business Risk Register which were discussed and approved.</p> <p><b>9. Register of Directors' Interests</b> Mr Penson presented the Register of Directors' Interests which was approved by the Board as an accurate record.</p> <p><b>10. Contracts for Board Authorisation</b> Mr Starkey presented the Board Contract Authorisation Record which was considered and approved by the Board subject to the following amendments being made:   <div style="background-color: black; width: 100%; height: 20px; margin-bottom: 5px;"></div> Contract for the replacement of the waste crane to be included.   Mr Penson to circulate a revised schedule.</p> <p><b>10. Any other business</b> None</p>	<p>C Penson</p>
---	-----------------

**Dates of next meetings**

The dates of the next meetings were confirmed as:

- |                           |   |
|---------------------------|---|
| Management Review Meeting | Thursday 10 <sup>th</sup> September 2020 commencing at 10.00am by video conference  |
| Shareholder Panel Meeting | Thursday 24 <sup>th</sup> September 2020 commencing at 16.00pm by video conference (informal meeting subject to confirmation) |
| Board Meeting             | Wednesday 11 <sup>th</sup> November 2020 commencing at 10.00am by video conference  |

There being no further business, the Chairman closed the meeting at 11.55am.

.....  
Chairman